



**Northern Plain  
Planning Area Initiative  
Fiscal Analysis**

**Prepared For:**  
City of Fremont

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**Northern Plain Planning Area Open Space Initiative Evaluation  
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# NORTHERN PLAIN PLANNING AREA INITIATIVE

## FISCAL ANALYSIS

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### A. INTRODUCTION

In accordance with California Elections Code Section 9212, this report provides the City of Fremont City Council with requested information on the “Northern Plain Planning Area Initiative” (The Initiative); a measure that will be put before the voters to amend the City’s General Plan and limit development and ancillary uses in the Patterson Ranch area.

#### 1. Report Organization

This section of the report analyzes development allowable under the Initiative examining the following issues:

- Fiscal impact of the development scenarios on the City General Fund.
- Capital funding impacts of the development scenarios on the East Bay Regional Park District and the Fremont Unified School District.
- The impact of the development scenarios on the City’s existing capital facilities planning for parks, fire, public and transportation facilities.
- The development scenarios effect on existing businesses and attraction of new business.

In order to analyze the ongoing fiscal impacts and one-time capital expenditures, Bay Area Economics (BAE) created a fiscal model consisting of a series of inter-linked Excel spreadsheets that, based on certain assumptions, project the magnitude of increased City of Fremont General Fund service costs and offsetting General Fund revenues that can be expected as a result of the Initiative. This analysis is intended to estimate the fiscal impacts of the Initiative (including the base and density bonus scenarios) as well as the development proposed by the Patterson Ranch property owners. The model provides quantitative analysis of the Initiative development at full land use buildout.<sup>1</sup> Wherever possible, qualitative information regarding the timing of municipal expenditures has been provided.

The balance of the Introduction discusses the methodology of the fiscal impact model. Sections on General Fund expenditures and revenues follow. Where appropriate, the discussion of expenditures includes both ongoing fiscal expenditures and one-time capital spending. Following the analysis of the City General Fund, the report presents sections devoted to the capital cost projections of East Bay Regional Park District and Fremont Unified School District infrastructure needs. Finally, the report addresses the Initiative’s potential affect on existing businesses and attraction of new business.

#### 2. Fiscal Impact Methodology

**a. General Fund Expenditures and Revenues.** The fiscal impact model focuses on the various cost and revenue items that make up the City of Fremont General Fund. The General Fund is the portion of the City budget used to finance most of the City’s basic municipal services, such as police and fire protection, human services, transportation and operations, and overall City management and administration. To support these ongoing services, the General Fund balance is dependent on various revenue sources, such as the City’s share of property taxes, sales taxes, various local taxes, and revenues allocated by the State of California.

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<sup>1</sup> Full land use buildout is when all development has been completed per the allowed zoning, or based on the expected completed development using the project proponent’s buildout scenario.

This analysis is based primarily on current conditions in regard to service cost levels and municipal revenues. In light of the State of California's ongoing budget crisis, municipal revenue/funding has changed dramatically in recent years and is likely to change further within the buildout horizon of the Initiative. The revenue portion of the fiscal model mirrors the current changes to State revenue allocation that under current law will be in place during the development period of the project (certain measures such as ERAF III are scheduled to sunset before the Initiative can be implemented). Several revenue sources that flow from the State have been altered to mirror the recent changes. Please also note that unless otherwise stated, new facilities or infrastructure required under each scenario have been assumed to be paid for by development fees or exactions (when in line with the City of Fremont's existing policies and practices) and therefore this fiscal analysis does not include debt service for new facilities to serve the Initiative development. See Section C for an analysis of the development scenarios' impact on capital facilities.

**b. Fiscal Model Assumptions.** The Initiative provides limited guidance regarding the fiscal implications of Initiative development. In this analysis, BAE used the following guiding principals to determine fiscal costs and revenues and allocating these costs:

- Federal & State laws
- Initiative requirements
- Local (City of Fremont) ordinances
- Standard City of Fremont practice
- Standard industry practice for development and fiscal analysis
- Reasonable assumptions

In analyzing the Initiative and the development scenarios, it is assumed that no other discretionary changes are made in the General Plan (*i.e.* the General Plan is not amended to change allowable development in other parts of the City).

**c. Initiative Development Program.** A key component of the fiscal impact model is the "development program" which specifies the proposed quantity of new development, by land use type in each of the land use scenarios analyzed. For purposes of this Section 9212 analysis, four development scenarios have been analyzed. The development programs of the development scenarios contained in Table 1 of the fiscal impact model drive the projections of both future costs and revenues. The development scenarios include:

- **Existing General Plan and Zoning Scenario 1:** The existing general plan calls for 261 low-density residential units with an average density one dwelling unit per acre plus the continuation of five parcels as large agriculture lots with a single residence. In addition, the Cargill property would be developed for limited industrial with a development potential of approximately 900,000 square feet.<sup>2</sup>
- **Initiative Farmland Scenario 2:** Re-designation of Patterson Ranch and Cargill Property to Private Open Space with the opportunity for nine small farms with a typical density of one unit per 80 acres.
- **Initiative Residential Scenario 3:** Through the donation of land west of Ardenwood Blvd. as permanent open space, 100 housing units would be allowed on the eastern side of Ardenwood Blvd.

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<sup>2</sup> Initial site analysis indicates wetlands constraints on the Cargill property which limits development to approximately 900,000 square feet versus the maximum allowable of 1.4 million square feet.

- **Patterson Ranch Proposal Scenario 4:** The development proposal calls for 800 new housing units primarily on the east side of Ardenwood Blvd. with 40,000 square feet of integrated church and commercial, plus 900,000 new limited industrial square feet at the Cargill property.

As shown in Table 1, Scenario 1 generates 266 housing units and 900,000 square feet of industrial space, Scenario 2 generates approximately nine housing units, Scenario 3 generates approximately 100 housing units, and Scenario 4 generates 800 housing units, 40,000 square feet of commercial space, and 900,000 square feet of industrial space. A more detailed description of the development scenarios is available in Impact Sciences summary report.

There are specific development details the fiscal analysis must use to determine assessed values and service population estimates. In this case, the fiscal analysis assumes small farm estates for Initiative Farmland Scenario and large lot residential units under the General Plan & Zoning and Initiative Residential Scenarios. The analysis also assumes the Patterson Ranch Proposal Scenario will provide a mix of large single-family units on 4,000 square foot to 6,000 square foot lots varying from 2,000 square feet to 3,500 square feet of living area and medium sized townhouses and stacked flats averaging 1,500 square feet of living area. These square foot estimates are based on new homes selling in the area.<sup>3</sup> It is assumed developments within the Existing General Plan and Initiative Scenarios will pay the inclusionary in-lieu, which is allowable for residential projects with average lot sizes over 10,000 square feet.<sup>4</sup>

**d. Service Population.** In each scenario, the City will experience an increase in the number of people within the Patterson Ranch and Cargill properties. The increase in the local employee and residential population impacts city service demand and corresponding costs. The increase in the population also brings in more City revenues. To estimate the growth in the local population, the fiscal analysis uses existing General Plan assumptions of average household sizes and employment densities by land use detailed in the City's Land Use Element. The household density calculations are based on the Associated of Bay Area Government's (ABAG) projected average household size in Fremont of 3.17 persons per household. The fiscal analysis also uses employment density assumptions to determine the number of job generated at buildout for each of the development scenarios.<sup>5</sup>

The estimated number of project residents and private employees is then used to estimate the project's overall "service population." The fiscal impact model uses the service population as an indicator of the relative demand a project will create for certain City services or basis for estimating certain City revenue sources. Unless otherwise noted, the service population is defined as 100 percent of project residents plus 50 percent of project employees, and is intended to account for the fact that local employment contribute to the City's daytime population. Counting local workers as equivalent to one-half of a resident is a commonly accepted practice in fiscal impact analysis to reflect the reduced demand for services created by workers as opposed to residents. Service population is primarily used in this model to estimate revenues from various City taxes and intergovernmental transfers that are generated from residents and businesses.

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<sup>3</sup> See Appendix A

<sup>4</sup> City of Fremont Community Development Department, June, 2006.

<sup>5</sup> The employment density assumptions use the City of Fremont's development impact fee nexus studies completed in 2002, which assume 350 research and development square feet per employee. The analysis also uses the Land Use Element to determine commercial employment densities, which is estimated at 26.1 employees per acre.

### Service Population Projections

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Number of Residents	843	29	317	2,536
Number of Employees	4,146	0	0	4,337
<b>Service Population</b>	<b>2,916</b>	<b>29</b>	<b>317</b>	<b>4,704</b>

*See Table 1 for detailed analysis.*

**e. Ongoing Operations and Maintenance vs. Capital Improvements.** The fiscal impact model deals separately with changes in the City's capital improvement budget and the revenue available to support capital improvements, such as construction of new roadways and utility infrastructure. This is because in Fremont, as in most other California cities, it is expected that new development will pay for the capital facilities it requires up-front through participation in existing improvement districts, construction of facilities, as well as payment of mandated impact fees. After the new capital facilities are constructed the City is confronted with the real fiscal impacts of new development that are related to supporting the on-going operations and maintenance of those facilities.

**f. Approach to Expenditure Projections.** For simplicity, the fiscal impact model relies primarily on variations of the average cost method to calculate several of the increased public service costs. Generally, these methods involve the calculation of cost multipliers by dividing current expenditures by existing service units (e.g., current economic development expenditures divided by existing service population equals average cost per capita). To project the increase in costs, the resulting cost multiplier is then applied to an estimate of the increased service population attributed to the proposed project.

The trade-off that comes with the simplicity of average cost methods is a lack of sensitivity to the specific circumstances surrounding the expansion of public services. For example, calculating an average per capita cost for existing services and applying it to the projected increase in service population would not be sensitive to the fact that circumstances unique to the proposed project might dictate that actual costs are lower or higher on a per capita basis than existing costs. To reduce the weakness of average cost approaches, the analysis uses the most direct possible method to determine the quantity of new service units.

Ideally, all direct costs would be estimated on a marginal cost basis. This involves a detailed analysis of the existing service capacity, the new services demanded, and the actual personnel, facilities, and equipment necessary to provide the services. This can be a difficult and time consuming process, rendering this technique impractical for many cost items included in this analysis. In this analysis, the Police Department costs were analyzed using both an average cost analysis and on a marginal cost basis by developing an operational/staffing plan for providing service to the development scenarios. Transportation and Operations Department costs uses average street maintenance cost estimates based on the increase in public right of way and other Transportation and Operations costs are based on the growth in the service population. Finally, the Parks and Recreation Department cost estimates use the most recent park maintenance cost estimates multiplied by each scenario's projected park land to determine park costs borne to the department for each scenario. More explanation of the fiscal analysis methodology for each department is available in Section B of this report.

**Table 1: Development Programs and Service Population Calculations**

<b>Land Use Assumptions</b>				
<b>Land Use (Acres)</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Residential	287	0	80.5	112.3
Agricultural	0	387 (a)	0	0
Industrial	45	0	0 (b)	45 (b)
Donated Open Space	141	0	420 (c)	245.9
Community & Neighborhood Parks	0	0	20	51
Commercial - Retail	0	0	0	6.9
<b>Development Program Assumptions</b>				
	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Agriculture Residential Parcels</b>	<b>5</b>	<b>9</b>	<b>0</b>	<b>0</b>
<b>Residential (d) (Units)</b>				
Large Lot Single-Family (e)	261	0	100	0
Traditional Single Family Detached	0	0	0	473
For Sale Multifamily (f)	0	0	0	207
Inclusionary Units	0	0	0	120
<b>Total Residential Units</b>	<b>266</b>	<b>9</b>	<b>100</b>	<b>800</b>
<b>Commercial (Sq. Ft.)</b>	0	0	0	40,000
<b>Church (g) (Sq. Ft.)</b>	0	0	0	20,000
<b>Industrial (h) (Sq. Ft.)</b>	900,000	0	0	900,000
<b>Service Population Assumptions</b>				
<b>Service Population</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Number of Residents	843	29	317	2,536
Number of Employees	2,571	0	0	2,762
Service Population (i)	2,129	29	317	3,917
Required Parkland Standard (j)	4.22	0.14	1.59	12.68

**Notes:**

(a) Assumes rural densities of one dwelling unit per 80 acres. Existing parcels with higher densities are grandfathered into the new lower density zoning. After expected subdivision of the larger parcels, there will be approximately nine total units, anticipated to be independent farms. The City refers to these densities as "Private Open Space".

(b) Acreage estimates are based on existing site analysis of the Cargill Property. Assumes an average research and development employment density of 350 square feet per employee.

(c) Assumes continuation of the open space easement on the southwest portion of the Patterson Ranch property.

(d) Assumes City of Fremont Land Use Element household size assumptions of 3.17 persons per unit.

(e) Assumes large lots from 20,000 square feet to over one acre.

(f) Multifamily units include townhouse, stacked flats, and/or condominiums.

(g) Assumes FAR of 0.20 and an average employment density of one per 1,000 square feet.

(h) Assumes an FAR of approximately 0.35 and an average employment density of 350 square feet per employee.

(i) The service population is defined as all new residents and one half of the total projected employees at buildout.

(j) The "Required Park Land Standard" is a calculation of the City required parkland to support the estimated population at five park acres per 1,000 residents.

Sources: City of Fremont General Plan, June, 2003; City of Fremont Community Development Department, May, 2006, BAE, 2006

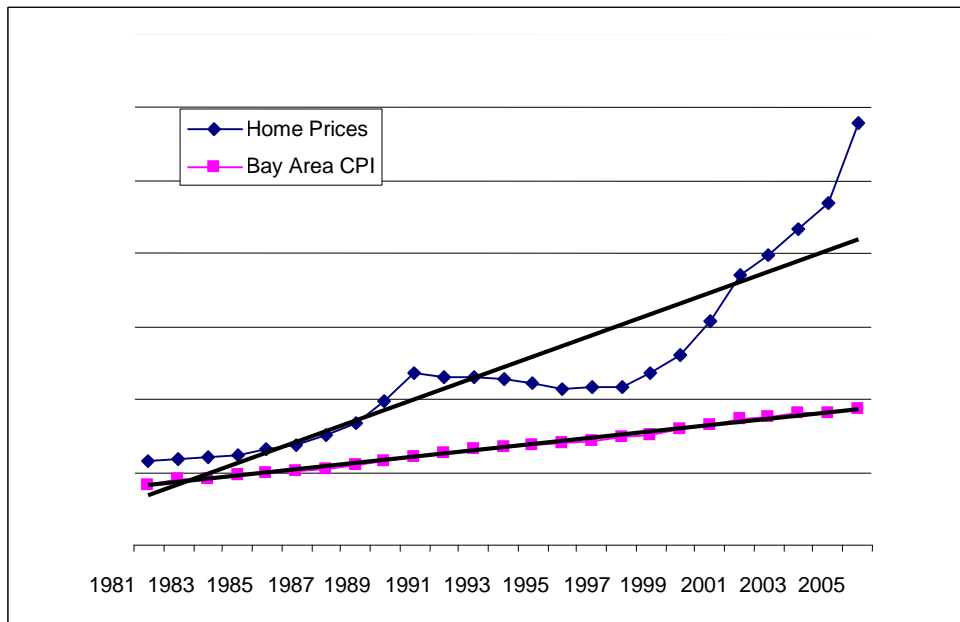
**g. Approach to Revenue Projections.** This analysis uses a number of different techniques to estimate increased revenues. The activities of many City departments generate program revenues, primarily through fees collected from people who use the services. Where increased expenditures are projected on an average per capita, or per service population basis, program revenues are typically subtracted from expenditures to identify the net cost to the City General Fund to provide the service. The net cost figure is then used to calculate the average cost of providing that service per service unit. The assumption in using this net per service unit cost to project future costs is that the current cost recovery ratios will prevail when extending services to new development. Therefore, program revenues are not included in the revenue projection tables.

After accounting for various program revenues through the “net service cost” methodology, there are still a number of General Fund revenue items which the fiscal impact model must project in a more direct manner, including such major revenues sources as property taxes and property transfer taxes, sales taxes, franchise fees, and motor vehicle in-lieu fees. As with the service cost estimates, the direct revenue estimates are driven primarily by the scenario development programs. Each General Fund revenue item has been analyzed with respect to its potential to respond to changes in the quantity of development occurring in each development scenario. Projections for a large number of revenue items rely on per capita, per employee, or per service population calculations, depending on which groups are associated with particular revenue sources. Other projections are more specialized, such as those for property tax revenues. Sales tax projections are based on retail and non-retail per capita and per job sales tax estimates for the City of Fremont. More detailed information regarding revenue projection techniques and assumptions is provided below in the section of this report regarding the specific methodologies and assumptions required to project changes in individual revenue sources.

**h. Cost and Revenue Inflation.** This analysis has been performed on a current dollar basis. Cost and revenue inflation has been assumed to be the same, and therefore inflation increases have not been factored into the model. This assumption is somewhat problematic when estimating property tax projections due to the two percent annual Proposition 13 cap on increasing assessed value of properties that have not been sold and therefore property tax revenue. The two percent cap may result in assessed valuations that lag behind cost inflation rates in the future. In this model, property tax revenues have not been adjusted in order to account for the potential lag behind real estate appreciation and cost inflation. Because of this lag, property taxes may be overstated in this model. However the model also does not account for real property appreciation above the Bay Area’s inflation rate. According to the National Housing Price Index prepared by the Office of Federal Housing Enterprise Oversight, East Bay home values have appreciated at an annualized rate of seven percent from 1981 to 2005. This represents a rate of approximately 3.5 percent above the Bay Area’s inflation rate (see Figure 1). This higher rate of appreciation has a countervailing affect on estimates of property tax revenues vis-à-vis expected Proposition 13 lag.



**Figure 1: Home Price Inflation versus Overall Inflation**



## B. CITY EXPENDITURE PROJECTIONS

### 1. Police Department

The Fremont Police Department has a staff of approximately 284 full-time equivalent positions with headquarters located at 2000 Stevenson Boulevard adjacent to the Fremont Central Park. The Police Department has four major work units: Community Policing Patrol Team, Traffic Unit, Investigative Services, and Animal Services. Police Department operations represent the single largest expenditure in the City's General Fund, accounting for 37 percent of General Fund expenditures and transfers out with a proposed budget of approximately \$50 million for fiscal year 2006/07. In each scenario, the Department does not anticipate fiscal impacts that would require major facility or operation changes. Rather, based on conversations with Police Department business operations staff, the Department expects an incremental increase in costs generated from an increase in the service population within the Initiative area.<sup>6</sup>

a. **Police Staffing Estimates.** Fremont Police Department staff have developed a preliminary staffing plan needed to serve the proposed project and other police services to serve cumulative demand within the Initiative area. The Police Department uses an overall standard of one officer per 220 housing units. The Police Department further adjusted its expected staffing levels after evaluating the commercial and industrial components of the General Plan and Patterson Ranch Proposal Scenarios. As shown in Table 2, the Police Department anticipates the General Plan & Zoning Scenario will generate one police officer and one community service officer. In Fiscal Year 2006/07, the average cost per police officer is approximately \$140,000 a year and the average cost per community service officer is \$85,000 per year. This includes salary, benefits, overtime, and operation costs (e.g. gas, equipment, annual training, etc.). These average cost estimates are adjusted by 13 percent to reflect overhead costs, such as administration and management. The fiscal analysis subtracts outside grants (2 percent of the overall budget) to obtain the net cost to the City's General Fund by scenario.

b. **Police Department Costs.** The projected increase in police officers and community service officers under the General Plan & Zoning Scenario 1 results in approximately \$250,000 per year in increased Police Department cost. The Initiative Farmland Scenario 2 will generate zero increase in policing costs as the Initiative area will remain relatively unchanged while the Initiative Residential Scenario 3 will increase policing demand by one half of a police officer. The Patterson Ranch Proposal Scenario will generate the most significant increase in policing costs, adding 3.5 police officers, one community service officers, and another patrol vehicle with corresponding equipment. Below is an estimate of policing costs by scenario.

#### Police Department Cost Summary

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Police Officers	1.0	0	0.5	3.5
Community Service Officers	1.0	0	0	1.0
<b>Total Costs</b>	<b>\$249,949</b>	<b>\$0</b>	<b>\$77,768</b>	<b>\$688,621</b>

*See Table 2 for detailed analysis.*

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<sup>6</sup> Fremont Police Department, June, 2006.

**Table 2: Police Department Costs****Police Cost Assumptions****Police Department Costs (Salary and Benefit Estimated for Fiscal Year 2006/07)**

Cost per Police Officer	\$ 140,450
Cost per Community Service Officer	\$ 85,256
One Patrol Vehicle and Auxiliary Equipment	\$ 45,000
Overhead	13%
Department Revenue (of total budget)	2%

**Police Alternative Costs Analysis**

<b>New Service Cost Associated with Development Alternatives</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Service Population (a)	2,129	29	317	3,917
<b>Additional Police Department Needs</b>				
Police Officers (b)	1.0	-	0.5	3.5
Community Service Officer	1.0	-	-	1.0
Officer Annual Costs	\$225,706	\$0	\$70,225	\$576,831
Vehicle	\$0	\$0	\$0	\$45,000
<b>Subtotal</b>	<b>\$225,708</b>	<b>\$0</b>	<b>\$70,226</b>	<b>\$621,836</b>
Overhead	\$29,342	\$0	\$9,129	\$80,839
Less Departmental Revenue (c)	-\$5,101	\$0	-\$1,587	-\$14,053
<b>Total Police Department Costs</b>	<b>\$249,949</b>	<b>\$0</b>	<b>\$77,768</b>	<b>\$688,621</b>

**Notes:**

- (a) Service population estimates are based on 2006 population and employment estimates.
- (b) Police officer estimates originate from the department's calculation based on the expected service population and development program.
- (c) Department revenues include grant funds which reduce the overall cost to the City's General Fund.
- (d) The General Plan requires 1.5 sworn officers and 0.5 community service officers per 1,000 persons served. Depending on the hiring threshold, the per service population cost can vary significantly. Thus, this analysis uses the current cost per service population to estimate the fiscal impacts of the proposed project.

Sources: Fremont Police Department, Business Services, June, 2006; City of Fremont Budget, FY 2006/07; BAE, 2006.

## 2. Fire Department

The City of Fremont Fire Department operates ten fire stations and has a budget of approximately \$28 million in Fiscal Year 2006/07 with approximately 153 full-time staff. In 2005, the Fire Department responded to approximately 14,000 calls for service, an increase of 5.5 percent from the previous year. The closest Fremont fire station to the Initiative area is Station 10 on Deep Creek Rd., approximately one mile from the Ardenwood Blvd. and Paseo Padre Pkwy. intersection. In addition, the intersection of Ardenwood Blvd. and Paseo Padre Pkwy. is approximately 0.5 miles from the Union City Fire Station 4 at 3500 Eastin Court, directly west of the Union City – Fremont Border at Ardenwood Blvd. The Fremont Fire Department and the Union City Fire Department have a mutual aid agreement to respond to calls within each jurisdiction.

**a. Fire Department Service Requirements.** The City of Fremont has service delivery standards that require 90 percent of the city to be within four and a half travel minutes of a fire station for first-due medical and small fire coverage. As a cost savings measure, the Fire Department currently institutes service “brown-outs” that temporarily close fire stations when fire staff exceed certain overtime thresholds. These brown-outs are rotated through lower traffic stations, which generally result in temporary closures at Station 8 and Station 10. Under current brown-out conditions, the Initiative area is significantly more at-risk of response times exceeding ten minutes, well below the Department’s fire response time standard.

The Fire Department stated the brown-outs could be eliminated if the City were able to fund one additional battalion.<sup>7</sup> Based on current average costs, one battalion (or the personnel costs associated with overtime equivalent to a battalion) would cost approximately \$440,000 per year plus administration. For purposes of determining increased fire prevent service costs, this analysis assumes the City General Fund will fund the additional battalion to prevent service brown-outs. This increases the Department’s total budget to \$28.6 million or \$27.7 million after accounting for non-general fund expenditures.

**b. Fire Department Costs.** While brown-out conditions represent current conditions, the analysis assumes any development within the initiative area will pay its share of total Fire Department services absent brown-out conditions. At the same time, the analysis does *not* assume that each scenario will pay the total cost to rectify an existing citywide service shortfall; but rather, it will pay its share of the total costs assuming the higher fire service standard. To determine Fire Department costs under each scenario, the analysis uses an average costs estimate. The result is an average service population cost of approximately \$107. Table 3 applies the average cost based on the projected increases in service populations by scenario.

### Fire Department Cost Summary

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Service Population	2,129	29	317	3,917
Cost Per Service Population	\$107	\$107	\$107	\$107
<b>Fire Department Costs</b>	<b>\$227,703</b>	<b>\$3,051</b>	<b>\$33,905</b>	<b>\$418,922</b>

*See Table 3 for detailed analysis*

In addition to annual costs, the Fire Department will also experience one-time fire training and material costs of approximately \$250,000. These costs will not be captured under the current development impact fee program and will likely result in a one-time General Fund expenditure.

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<sup>7</sup> A battalion includes a fire fighter, a fire engineer, and a fire captain.

**Table 3: Fire Department Costs****Fire Cost Assumptions**

<b>Current Service Standards</b>	<b>2006-07</b>
Fire Department Costs (a)	\$28,064,000
<b>Additional Cost to Prevent Fire Service Brown-Outs (b)</b>	
New Fire Battalion	\$440,000
Administration (15% of Total Costs) (c)	\$66,000
<b>Total Fire Department Cost without Brown-Outs</b>	<b>\$28,570,000</b>
<b>Less Special Funds (d)</b>	
Alameda County Emergency Medical Services Contract	(\$561,280)
Grants	(\$280,640)
<b>Net Fire Costs without Brown-Outs</b>	<b>\$27,728,080</b>
Total Service Population	259,247
<b>Fire Service Costs per Service Population</b>	<b>\$107</b>

**Fire Department Cost Alternative Analysis**

<b>New Fire Department Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Service Population	2,129	29	317	3,917
Service Cost Per Service Population	\$107	\$107	\$107	\$107
<b>Total Fire Service Costs</b>	<b>\$227,703</b>	<b>\$3,051</b>	<b>\$33,905</b>	<b>\$418,922</b>

## Notes:

(a) Fire Department cost in Fiscal Year 2006/07 before accounting for eliminating rolling brown-outs.

(b) The Fire Department estimates the Department would need one battalion to prevent rolling blackouts. According to Business Services, the average annual personnel cost to the Department is approximately \$440,000 for a fire fighter, a fire engineer, and a fire captain.

(c) Based on the current Fire Department's administration costs as a percentage of the total budget.

Sources: City of Fremont General Plan, June, 2003; City of Fremont Community Development Department, May, 2006, BAE, 2006

### 3. Parks and Recreation Department

The Parks and Recreation Department maintains over 1,000 acres of parkland and provides leisure activities from its Recreation Division to Fremont's 210,000 residents. The Parks and Recreation Department has a 2006/07 budget of approximately \$11.5 million with approximately 35 percent generated from non-general fund revenues. The Department staffs approximately 67 full-time equivalent employees, of which 34 are employed in Park Maintenance.

Recently, the Department completed an analysis of park maintenance and capital costs.<sup>8</sup> The fiscal analysis uses the average maintenance cost per park acre estimates to calculate future park maintenance costs under each scenario. In addition, the fiscal analysis calculates the average recreation cost per resident to determine the increase in recreation costs.

**a. Park Maintenance Costs.** Park maintenance costs range from approximately \$6,100 an acre per year for citywide parks to \$10,100 an acre per year for mini-parks. These per acre estimates are used to determine annual park maintenance costs by scenario. The City has a park standard of five acres of park land per 1,000 residents. Thus, the fiscal analysis assumes each scenario will create some additional park space, either directly through land dedication and park development, or by paying a park development impact fee. Also, the fiscal analysis uses the scenario's park development program if the given scenario specifically calls for more park land than required by the City. In the case of the Patterson Ranch Proposal, the scenario would create approximately 38 acres of citywide park land and 13 acres of neighborhood park land, well above the City's standard. The Initiative Residential Scenario would result in a higher standard, adding 20 acres of citywide park.

#### Park Maintenance Cost Summary

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Citywide Park Acres	4.22	0.14	20	38
Cost Per Acre of Citywide Park	\$6,141	\$6,141	\$6,141	\$6,141
Neighborhood Park Acres	0	0	0	13
Cost Per Acre Neighborhood Park	\$5,790	\$5,790	\$5,790	\$5,790
<b>Maintenance Costs</b>	<b>\$25,891</b>	<b>\$876</b>	<b>\$122,820</b>	<b>\$309,207</b>

*See Table 4 for detailed analysis.*

**b. Recreation Costs.** The fiscal analysis uses an average cost multiplier to determine recreation costs. First, non-general fund revenues, such as program revenues, are subtracted from the Recreation Division's total allotted budget. Second, the net recreation costs are divided by the total residents to determine the average recreation costs per resident. In the case of recreation costs, the analysis assumes residents only and not employees, as residents are considered the primary users and recipients of recreation services. Accordingly, the average recreation cost is approximately \$12 per resident. This results in only nominal impacts to the City's General Fund with an estimated Recreation cost of approximately \$30,000 per year under the Patterson Ranch Proposal to as little as \$300 a year under the Initiative Farmland Scenario.

**c. Total Parks and Recreation Costs.** To find the total Parks and Recreation costs, the analysis combines the projected park maintenance costs with the estimated recreation costs. As shown in Table 4, the total Parks and Recreation Costs vary significantly by scenario, ranging from approximately \$1,200 a

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<sup>8</sup> *Comprehensive Park Report*, Parks and Recreation Department, March 2006.

year under the Initiative Farmland Scenario 2 to \$340,000 per year under the Patterson Ranch Proposal Scenario 4.

#### **Total Parks and Recreation Cost Summary**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Parks & Recreation Costs	\$35,764	\$1,210	\$126,532	\$338,901

*See Table 4 for detailed analysis.*

#### **4. Human Services**

The Human Services Department provides a continuum of services for Fremont youth, seniors and families designed to assist them in becoming more self-reliant. The Department manages the Family Resource Center, administers the Community Development Block Grant program, and offers a host of community support services for local residents. Its primary service population is low- and moderate-income persons living in Fremont. The Human Services Department staffs approximately 44 full-time equivalent employees and has an annual budget of approximately \$11.3 million in fiscal year 2006/07, of which \$3.3 originates from the City's General Fund. The remaining expenditures are recaptured through grants and program revenues.

**a. Human Services Costs.** To estimate the increase in Human Services costs to the General Fund, the fiscal analysis determined the per resident costs. The analysis does not include employees as part of the Human Services' service population as the Department primarily serves Fremont residents. In other words, an increase in local employment is not expected to significantly increase service demand.

As shown in Table 5, \$3.28 million of Human Service expenditures originate from the City's General Fund. By dividing by the City's total population, the analysis can determine the average Human Services costs borne to the General Fund (\$16 per resident). The analysis can then determine the increase in Human Services costs by multiplying the per resident costs by the projected increase in residents under each scenario. Similar to the Parks and Recreation Department, costs vary significantly by scenario with Initiative Farmland Scenario 2 generating less than \$500 per year in additional Human Services costs compared to \$40,000 per year in Human Services costs under the Patterson Ranch Proposal Scenario 4. Still, the Patterson Ranch Proposal projected Human Services costs represent only a nominal increase in Department overall expenditures, accounting for approximately 1 percent of total General Fund expenditures within the Department.

#### **Total Human Services Cost Summary**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Human Services Costs	\$13,150	\$445	\$4,995	\$39,549

*See Table 5 for detailed analysis.*

**Table 4: Parks and Recreation Department Costs****Park and Recreation Cost Assumptions**

<b>Current Recreation Costs</b>	<b>2006-07</b>	
Recreation	\$6,475,569	
Less: Offsetting Revenue (a)	<b>(\$4,014,853)</b>	
Total Recreational Costs	\$2,460,716	
Residents	\$210,158	\$0.22
<b>Recreation Costs Per Resident</b>	<b>\$12</b>	
		\$11,548,369
<b>Park Maintenance Costs (b)</b>		
Citywide Parks Costs Per Acre	\$6,141	
Neighborhood Park Costs Per Acre	\$5,790	
Mini Park Costs Per Acre	\$10,140	

**Park and Recreation Alternative Cost Analysis**

<b>New Parks and Recreation Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Recreation Costs Per Resident	\$12	\$12	\$12	\$12
New Residents	843	29	317	2,536
<b>New Recreation Costs</b>	<b>\$9,873</b>	<b>\$334</b>	<b>\$3,712</b>	<b>\$29,694</b>
Cost Per Citywide Park Per Acre	\$6,141	\$6,141	\$6,141	\$6,141
Citywide Park (c)	4.22	0.14	20	38
Cost Per Neighborhood Park Per Acre	\$5,790	\$5,790	\$5,790	\$5,790
Neighborhood Park	0	0	0	13
<b>New Park Maintenance Costs</b>	<b>\$25,891</b>	<b>\$876</b>	<b>\$122,820</b>	<b>\$309,207</b>
<b>Total Parks and Recreation Costs</b>	<b>\$35,764</b>	<b>\$1,210</b>	<b>\$126,532</b>	<b>\$338,901</b>

**Notes:**

- (a) Offsetting revenues include recreation fees and other program revenues recouped by the Department, and Recreation Cost Center fund balances.
- (b) Park maintenance are based on a 2005 Parks and Recreation Department analysis which determined maintenance and capital costs by park type.
- (c) The parkland estimates are the greater of the required parkland or the planned dedicated parkland as assumed in each alternative's development program.

Sources: Parks and Recreation Department, City of Fremont, June, 2006; Fremont Budget 2006-07; Department of Finance, 2005; ABAG, 2005; BAE, 2006.



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**Table 5: Human Services**

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**Human Services Cost Assumptions**

<b>Current Recreation Costs</b>	<b>2006-07</b>
Human Services Budget	\$11,301,527
Less Grants	(\$3,729,504)
Less Family Resource Center	(\$1,695,229)
Less Senior Center Revenues	(\$452,061)
Community Development Block Grant	(\$2,147,290)
Total Human Services Cost to General Fund (a)	\$3,277,443
Residents	210,158
<b>Human Services Cost Per Resident</b>	<b>\$16</b>

**Human Services Costs Alternative Analysis**

<b>New Human Services Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Human Service Cost Per Resident	\$16	\$16	\$16	\$16
New Residents	843	29	317	2,536
<b>New Human Services Costs</b>	<b>\$13,150</b>	<b>\$445</b>	<b>\$4,944</b>	<b>\$39,549</b>

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Notes:

(a) These are the total costs to the general fund after accounting for program revenues and grants.

Sources: Fremont Budget 2006-07; Department of Finance, 2005; ABAG, 2005; BAE, 2006.

## 5. Transportation and Operations Department

The Transportation and Operations Department provides maintenance, traffic engineering, and environmental services to the City. This includes maintaining streets, public buildings, and other city-owned infrastructure. In fiscal year 2006/07, the Transportation and Operations Department has a proposed budget of approximately \$30.1 million, 51 percent originating from the City's General Fund. The Department staffs approximately 113 full-time equivalent employees within its Environmental Services, Transportation and Engineering, and Maintenance Services Divisions. To determine increased costs to the department, the fiscal analysis separates two important functions of the Transportation and Operations:

- Street maintenance, including street cleaning, tree pruning, and signs and striping,
- And all other Transportation and Operations activities, including engineering, environmental services, and public building maintenance.

The fiscal analysis addresses these costs separately, accounting for the increase in total lane miles under Street Maintenance and the increase in the service population under all other Transportation and Operations activities.

**a. Street Maintenance Costs.** Under each development scenario, the developer would be responsible for installing needed streets, sidewalks, street lights, traffic signals, and landscaped medians for the proposed development. However, the City's Transportation and Operations Department would face additional maintenance responsibilities for such facilities in the Initiative Area.

Based on discussion with the Transportation and Operations Department, existing levels of service for street lights, traffic signals and street maintenance were deemed inadequate and did not represent the actual annual maintenance costs. As such, the Transportation and Operations Department determined street maintenance costs per lane mile based on actual estimates to maintain adequate levels of service. The Transportation and Operations Department estimates an annual cost of \$9,681 per lane mile to maintain streets at basic standards, of which approximately 75 percent originates from the General Fund. Thus, the average street maintenance cost to the General Fund is \$7,221 per lane mile.

The estimated cost per lane mile is then combined with estimates of increased right-of-way constructed under each scenario. The roadway estimates conservatively assume the majority of roadway will be maintained by the Transportation and Operations Department, and not by a homeowners association or an assessment district. Below summarizes annual street maintenance costs for each scenario.

### Street Maintenance Cost Summary

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Citywide Lane Miles	10.18	0.0	2.87	10.88
Cost Per Lane Mile	\$7,221	\$7,221	\$7,221	\$7,221
<b>Maintenance Costs</b>	<b>\$73,514</b>	<b>\$0</b>	<b>\$20,726</b>	<b>\$78,569</b>

*See Table 6 for a detailed analysis*

**b. All Other Transportation and Operations Costs.** In addition to street maintenance cost, the Transportation and Operations Department will experience increase demand for environmental, engineering, and public facility maintenance as the City grows. Under each scenario, the City's service population will grow, thereby increasing overall demand for City services. The fiscal analysis uses per service population cost estimate to determine future fiscal impacts on the Transportation and Operations costs. After accounting for non-general fund revenues, the Transportation and Operations Department

**Table 6: Transportation and Operations Costs****Transportation and Operations Roadway Assumptions**

<b>Current Service Standards</b>	<b>General Plan &amp; Zoning</b>	<b>Farmland Initiative</b>	<b>Residential Initiative</b>	<b>Proposed Patterson Ranch</b>
New Lane Miles Maintain by City (a)				
Industrial Component	1.58	-	-	1.58
Residential and Commerical Component	8.60	-	2.87	9.30
Total New Lane Miles	10.18	-	2.87	10.88
<b>Street Maintenance Costs</b>				
Street Sweeping	\$1,299,482			
Tree Pruning	\$1,306,917			
Signs & Striping	\$995,925			
Other Street Maintenance	\$1,441,554			
<b>Total Steet Maintenance Costs</b>	<b>\$5,043,878</b>			
Cost Paid by the General Fund	\$3,762,428			
% of Maintenance Cost to General Fund	75%			
Estimated Maintenance Cost Per Lane Mile (b)	\$9,681			
Maintenance Cost to General Fund (c)	75%			
<b>Cost to the General Fund Per Lane Mile</b>	<b>\$7,221</b>			

**All Other Transportation and Operations Cost Assumptions**

Total Trans. & Oper. Budget	\$30,124,037
Less Non-General Fund Revenues (d)	(\$14,760,778)
Less Street Maintenance Cost to General Fund	(\$3,762,428)
<b>All Other Trans. &amp; Oper. General Fund Cost</b>	<b>\$11,600,831</b>
Total Service Population (e)	259,247
<b>All Other Trans. &amp; Oper. Per Service Pop.</b>	<b>\$45</b>

**Transportation and Operation Costs Alternative Analysis**

<b>New Service and Maintenance Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Cost to the General Fund Per Lane Mile	\$7,221	\$7,221	\$7,221	\$7,221
New Lane Miles	10.18	0.00	2.87	10.88
New Roadway Costs	\$73,514	\$0	\$20,726	\$78,569
All Other Trans. & Oper Cost Per Service Pop.	\$45	\$45	\$45	\$45
Increase in Service Population	2,129	29	317	3,917
All Other Trans. & Oper Cost to General Fund	\$95,266	\$1,277	\$14,185	\$175,268
<b>Total Transportation and Operations Costs</b>	<b>\$168,780</b>	<b>\$1,277</b>	<b>\$34,911</b>	<b>\$253,837</b>

## Notes:

(a) Lane miles estimates by alternative are based on a roadway analysis completed by the Transportation and Operations Department on June, 2006.

(b) Estimated maintenance cost per lane mile is based on an analysis completed by the Transportation and Operations Department on June, 2006.

(c) Assumes road maintenance activities receive similar program revenues and gas tax funds to the department overall.

(d) Non-general funds include gas taxes, waste management, charges to projects, and other revenue.

(e) Service poplation are based on 2006 population and employment estimates.

Sources: Transportation and Operations Department, City of Fremont, June, 2006; City of Fremont Budget, Fiscal Year 2006-07; Department of Finance, 2006; ABAG, 2005; BAE, 2006.

incurs approximately \$45 per service population unit in Transportation and Operation costs beyond street maintenance. Table 6 details other Transportation and Operations costs by scenario.

c. **Total Transportation and Operations Costs.** The Transportation and Operations Department costs discussed above are combined to determine total Departmental cost borne to the City's General Fund. Below is a summary of projected costs by scenario.

**Total Transportation and Operations Cost Summary**

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Transportation and Operations Costs	\$168,780	\$1,277	\$34,911	\$253,837

*See Table 6 for a detailed analysis.*

## 6. Economic Development

The Economic Development Department propagates economic health and quality of life by supporting and recruiting new business to the City and working to increase available services to local residents. Economic Development provides services that facilitate revitalization and help ensure the city upkeep and avoid the deterioration of neighborhoods. It develops and implements the City's overall marketing efforts and assists the City Council in its economic development and redevelopment efforts. The Economic Development Department staffs approximately five full-time equivalent employees with an estimated budget of approximately \$967,000 in Fiscal Year 2006/07. As the city grows, so does its need to increase economic development efforts to retain employers and provide economic opportunities for local residents. Thus, the analysis uses an average cost estimate to determine increased service costs generated from new jobs and housing within the Initiative area. The average Economic Development cost is approximately \$2.72 per service population unit. These average costs are applied to the projected increase in service population under each scenario.

**Total Economic Development Department Cost Summary**

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Total Economic Development Costs	\$5,799	\$78	\$863	\$10,669

*See Table 7 for a detailed analysis.*

## 7. Community Development Department

The Community Development Department provides a number of services primarily to new development including planning, engineering, and building inspection services. The Community Development Department charges fees that are intended to cover the cost of providing services related to new development and services that support the activities of other City departments or government entities, reducing its overall costs to the General Fund. The Community Development Department has an annual budget of approximately \$17.1 million, of which approximately \$2.6 million originates from the General Fund. Similar to the Economic Development Department, the fiscal analysis uses an average cost calculation to determine increased costs for each scenario. As shown in Table 8, each scenario would have a nominal fiscal impact to the Community Development Department.

**Table 7: Economic Development****Economic Development Cost Assumptions**

<b>Current Service Standards</b>	<b>2006-07</b>
Economic Development Cost	\$967,368
Less Overhead Charges to Other Funds	(\$261,189)
<b>Net Economic Development Costs</b>	<b>\$706,179</b>
<b>Total Service Population (e)</b>	<b>259,247</b>
<b>Economic Development Costs per Service Pop.</b>	<b>\$2.72</b>

**Economic Development Alternatives Cost Analysis**

<b>New Economic Development Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Service Population	2,129	29	317	3,917
Service Cost Per Service Population	\$2.72	\$2.72	\$2.72	\$2.72
<b>Total New Economic Development Costs</b>	<b>\$5,799</b>	<b>\$78</b>	<b>\$863</b>	<b>\$10,669</b>

Notes:

(a) These represent total Economic Development Costs before accounting for program revenues and transfers in from other departments.

(b) Service population estimates are based on January 1, 2006 population and ABAG employment estimates.

Sources: City of Fremont Budget, Fiscal Year 2006-07; Department of Finance, 2005; ABAG, 2005; BAE, 2006.

**Table 8: Community Development****Community Development Cost Assumptions**

<b>Current Service Standards</b>	<b>2006-07</b>
Community Development Cost (a)	\$17,139,389
Less Developer Fees	(\$9,598,058)
Less Charges to Capital Projects	(\$4,456,241)
Less Fund Balance	(\$342,788)
Less Other Revenue	(\$171,394)
<b>Net Community and Economic Development Cost</b>	<b>\$2,570,908</b>
<b>Total Service Population (e)</b>	<b>259,247</b>
<b>Community Development Cost per Service Pop.</b>	<b>\$9.92</b>

**Community Development Cost Alternatives Analysis**

<b>New Community Development Cost</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Service Population	2,129	29	317	3,917
Service Cost Per Service Population	\$9.92	\$9.92	\$9.92	\$9.92
<b>Total New Community Development Cost</b>	<b>\$21,112</b>	<b>\$283</b>	<b>\$3,144</b>	<b>\$38,842</b>

Notes:

(a) These represent total Community Development Costs before capture of development fees, charges, and other revenue which are not General Fund sources.

(b) Service population estimates are based on January 1, 2006 population and ABAG employment estimates.

Sources: City of Fremont Budget, Fiscal Year 2006-07; Community Development Department, June, 2006; Department of Finance, 2005; ABAG, 2005; BAE, 2006.

## 8. General Government Administration

General Government Administration includes a number of City Departments that provide services to support the overall operations of the City of Fremont. These include City Council, City Manager, City Clerk, City Attorney, Finance, and Human Resources. It is expected that as the City's population expands, so do its costs for General Government Administration functions. For example, increased personnel in the Police Department will create the need for increased staffing in the Human Resources Department to provide payroll services, maintain employee records and an increased need for Finance Department services, etc. However, there are certain fixed costs that will not increase with the population of the City such as City Council expenditures and most costs associated with department head compensation, etc. Based on our professional experience, BAE estimates that 75 percent is a conservative projection of the variable costs for general government departments. It acknowledges that some costs are fixed but does not underestimate the variable costs associated with new development.

As shown on Table 9, additional variable departmental expenditures related to General Government vary from as little as \$700 per year under the Initiative Farmland Scenario 2 to \$91,800 under the Patterson Ranch Proposal Scenario 4.

## 9. Revenues Offsetting Departmental Expenditures

**a. Licenses, Permits, and Grants.** The City of Fremont collects fees for licenses and permits for a variety of purposes. These permits are shown as offsetting program revenues in the Community Development and Parks and Recreation Department expenditure tables. In addition, Human Services, Police, and Fire receive grants which are also shown as offsetting program revenue in each respective table.

**b. Charges for Current Services, Other Revenues, and Overhead Charges.** The City of Fremont collects revenues in the form of charges for service in a variety of governmental activities that benefit a single user or are otherwise not considered free government services. In addition, total costs for all services include proportional shares of citywide overhead costs (e.g. human resources, legal services, finance), risk management, and information technology. These allocation charges to other funds are budgeted as transfers into the General Fund. The overhead charges are shown as non-General Fund Operations in departmental budget such as the Community Development Department and Parks and Recreation Department.

**Table 9: General Government Costs****General Government Cost Assumptions**

<b>Current Service Standards (a)</b>	<b>2006-07</b>
City Council	\$235,648
Less Overhead Charged to Other Funds	(\$63,625)
<i>Subtotal</i>	<i>\$172,023</i>
City Manager	\$1,771,468
Less Overhead Charged to Other Funds	(\$478,296)
<i>Subtotal</i>	<i>\$1,293,172</i>
City Attorney's Office	\$1,657,644
Less Overhead Charged to Other Funds	(\$447,564)
<i>Subtotal</i>	<i>\$1,210,080</i>
City Clerk	\$1,328,186
Less Overhead Charged to Other Funds	(\$358,610)
<i>Subtotal</i>	<i>\$969,576</i>
Finance	\$3,715,779
Less Overhead Charged to Other Funds	(\$1,003,260)
<i>Subtotal</i>	<i>\$2,712,519</i>
Human Services	\$2,385,036
Less Overhead Charged to Other Funds	(\$643,960)
<i>Subtotal</i>	<i>\$1,741,076</i>
<b>Total General Government Costs</b>	<b>\$8,098,445</b>
Total Service Population	259,247
<b>General Government Costs per Service Population</b>	<b>\$31.24</b>
<b>% of Costs Impacted Service Population Growth (b)</b>	<b>75%</b>
<b>Cost Per New Service Population Unit</b>	<b>\$23.43</b>

**General Government Costs Alternative Analysis**

<b>New General Government Costs</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Service Population	2129	29	317	3917
Cost Per New Service Population Unit	\$23.43	\$23.43	\$23.43	\$23.43
<b>Total General Government Costs</b>	<b>\$49,878</b>	<b>\$668</b>	<b>\$7,427</b>	<b>\$91,765</b>

## Notes:

(a) Overhead charges are those costs borne to the department but attributed to other departments within the city and therefore are not general fund expenditures.

(b) See corresponding text for an explanation.

Sources: City of Fremont Budget, Fiscal Year 2006-07; Department of Finance, 2005; ABAG, 2005; BAE, 2006.

## C. REVENUE PROJECTIONS

### 1. Program Revenues

As discussed above, the cost projection techniques typically use a net service cost that reflects total departmental costs less specific program revenues generated by a specific departmental function. As described earlier, it is assumed that the relationship between department expenditures and department program revenues will remain constant in the future. Because these revenues have been accounted for in the cost projection section, it is not necessary to produce direct estimates of the increases in the numerous program revenues. This section therefore describes the methodologies used to project the increased revenues from those sources that have not already been addressed through the process of determining the City's net costs for services. The following general revenues are those that are available to pay for the portions of City service expenditures that are not recoverable from specific program revenues.

### 2. Sales and Use Taxes

The State of California allocates sales and use taxes to the City of Fremont equal to 0.95 percent of local taxable sales that occur within the City limits.<sup>9</sup> As new residents move into a community, they can be expected to make taxable retail purchases within that community. Additionally, new commercial activity can generate sales or use tax from the sales of taxable goods by these businesses. Consequently, increases in residential development and new employment-generating land uses are expected to generate increased local sales tax revenues. These increased revenues can be in the form of sales taxes generated by the taxable expenditures of new residents in local retail establishments, and taxable business to business sales or use taxes from new business locating in Fremont.

**a. Resident Taxable Sales.** Each of the development scenarios would cause local retail sales levels to expand substantially because of increased population. The quantities of new retail sales would exceed that which could be captured in the relatively small quantities of new retail space proposed in the Initiative; therefore, capturing all of the projected retail sales would entail significantly increasing the productivity of the City's existing retail facilities. In the last complete year of reported taxable sales (2004), Fremont's retail sales were approximately \$7,500 per capita. These retail sales were inflated to reflect 2006 dollars using the increase in the Consumer Price Index. Accordingly, the average retail sales per capita is estimated at \$7,900 in 2006 dollars. This per capita estimate includes retail leakage of purchases made by Fremont residents in other jurisdictions. As shown in Table 10, the average per capita retail sales in the County overall is \$10,100, more than a quarter above the City's per capita sales. While the actual resident taxable purchases are expected to be higher than Fremont's overall per capita sales considering the relatively high home prices and corresponding household incomes expected in the Initiative area,<sup>10</sup> the fiscal analysis assumes a significant portion of these new purchases will be captured outside of the City. Thus, the analysis conservatively assumes residents in the Initiative area will generate similar taxable sales expenditures to the Fremont residents overall. This existing factor is relevant because the closest neighborhood shopping areas are in the Cities of Union City and Newark and at least some of new resident expenditures will be spent at these retail centers outside Fremont.

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<sup>9</sup> Alameda County receives five percent of the City's one percent allocation, resulting in a net capture rate of 0.95 percent of total taxable sales. Additionally, in 2004, the State budget deal (agreed to by the Governor, the legislature, and other key participants), implemented a multi-step shift of revenues, referred to as the "triple flip," in order to create a bondable sales tax income stream for the State. The triple flip affects the City of Fremont by: 1) reducing its local share of sales tax from 1.0 to 0.75 percent; 2) "backfilling" city sales tax revenue losses by shifting ERAF property taxes to the City; and 3) "backfilling" school district ERAF property taxes shifted to local governments through a shift of State General Fund dollars. Because of the backfill, the City's share of sales tax revenue effectively remains at 0.95 percent of taxable sales.

<sup>10</sup> See Table 12 for a summary of home price estimates by scenario.



**b. Business Taxable Sales.** In addition to retail sales generated from residents, businesses also increase sales tax revenues through business to business taxable expenditures. In 2004, Fremont generated over \$850 million in business to business sales. The fiscal analysis uses a business-to-business sales per employee average revenue estimate to determine future taxable sales from new businesses locating in commercial and industrial space within the Initiative area. The average revenue estimate assumes new businesses locating within the Initiative area will, on average, have similar taxable expenditures to those business already in the City. As shown in Table 10, the average taxable sales per employee is approximately \$8,900.

**d. Total New Taxable Sales Revenue.** Using the methodology above, the analysis can estimate future taxable sales generated from new residents and employees in the Initiative area. Among the General Plan and Patterson Ranch Proposal Scenarios, the large projected increase in service populations generates significant sales tax revenue to the City. The Initiative Scenarios generate significantly less due to fewer residents and zero new businesses within the Initiative area.

#### **Total Sales Tax Revenues**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Total Sales Tax Revenues	\$280,449	\$2,140	\$23,777	\$423,472

*See Table 10 for a detailed analysis.*

**e. Proposition 172 Public Safety Taxes.** Proposition 172 is a half percent sales tax for public safety services approved by California voters in 1993. Unlike the 0.95 percent sales tax distributed to the City based on Fremont's actual retail sales, Proposition 172 sales tax revenues are distributed to the City based on its proportional share of the County's overall taxable sales. In the case of Fremont, the taxable sales in the city account for approximately 15 percent of countywide sales. Thus, the City receives approximately 15 percent of countywide growth in taxable sales tax generated from the half cent tax. As shown in Table 11, the scenarios will generate from \$225,000 in additional taxable sales under the Initiative Farmland Scenario to \$44.6 million under the Patterson Ranch Proposal Scenario. This results in only nominal growth in Proposition 172 sales tax revenues.

#### **Proposition 172 Public Safety Sales Tax Revenues**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Prop. 172 Sales Tax Revenues	\$21,550	\$164	\$1,827	\$32,541

*See Table 11 for a detailed analysis.*

**Table 10: Sales Tax Revenues****Sales Tax Revenue Assumptions**

	<b>Fremont 2006</b>	<b>Alameda County 2006</b>
<b>Retail Taxable Sales Per Resident</b>		
Total Retail Taxable Sales, 2004	\$1,575,060,000	\$ 14,343,842,000
Total Retail Taxable Sales, 2006 (a)	\$1,659,253,828	\$ 15,110,582,924
Resident Population	210,158	1,495,775
<b>Total Taxable Transactions per Resident</b>	<b>\$7,895</b>	<b>\$10,102</b>
<b>Business to Business Taxable Sales Per Employee</b>	<b>2006</b>	
Total Business to Business Sales, 2004 (b)	\$828,647,000	
Total Business to Business Sales, 2006 (a)	\$872,941,797	
Total Employment	98,179	
<b>Total Business to Business Taxable Transactions per Employee</b>	<b>\$8,891</b>	

**Sales Tax Revenue Alternatives Revenue Analysis**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>New Sales Tax Revenues</b>				
New Residents	843	29	317	2,536
New Employees	2,571	0	0	2,762
Retail Sales Per Resident	\$7,895	\$7,895	\$7,895	\$7,895
Business to Business Sales Per Employee	\$8,891	\$8,891	\$8,891	\$8,891
<b>Total Taxable Transactions</b>	<b>\$29,520,933</b>	<b>\$225,252</b>	<b>\$2,502,800</b>	<b>\$44,576,044</b>
<b>Total Sales Tax Distributed to the City</b>	<b>0.95%</b>	<b>0.95%</b>	<b>0.95%</b>	<b>0.95%</b>
<b>New Sales Tax Revenue</b>	<b>\$280,449</b>	<b>\$2,140</b>	<b>\$23,777</b>	<b>\$423,472</b>

(a) The 2006 estimates adjust 2004 sales using the change in the San Francisco Metropolitan Statistical Area Consumer Price Index from 2004 to 2006.

(b) Business to business sales are defined as "outlet sales" per the State Board of Equalization.

Sources: State Board of Equalization, 2006; Department of Finance, 2006; BAE, 2006.

**Table 11: Proposition 172 Public Safety Tax Revenues****Proposition 172 Public Safety Sales Tax Revenue Alternatives Revenue Analysis**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Proposition 172 Revenues</b>				
Project-Generated Increase In Taxable Sales (See Table 10)	\$29,520,933	\$225,252	\$2,502,800	\$44,576,044
Estimated Proposition 172 Revenue to Alameda County (a)	\$147,605	\$1,126	\$12,514	\$222,880
<b>Share of Countywide Public Safety Sales Tax Revenues (b)</b>	<b>\$ 21,550</b>	<b>\$ 164</b>	<b>\$ 1,827</b>	<b>\$ 32,541</b>

Notes:

(a) Public Safety Sales Tax is one-half percent of taxable sales.

(b) Fremont's share of Countywide Public Safety Sales Tax revenues is approximately 14.6% of the total in 2004. This analysis assumes the proportion of taxable sales has remained constant from 2004 to 2006.

Sources: Finance Department, City of Fremont, 2006; State Board of Equalization, 2006; BAE, 2006

### 3. Property Taxes

Property taxes are a significant source of General Fund revenue that will increase as a direct result of new development in the Initiative area. The County Auditor-Controller's office allocates increased property tax revenues for general operating purposes to the City based on the increase in assessed valuation of property located within the City and outside the City's Redevelopment Project Area. Generally, the County Assessor's office determines assessed valuation each year based on the sale price of real estate that has been sold, or the statutorily permitted annual increase in assessments for properties that have not changed ownership. Proposition 13 limits annual assessment increases for properties that have not been sold or improved to the smaller of two percent or the rate of inflation. However, if a property remains in the same ownership, assessments will increase according to the value of any new improvements made to the property (e.g., a house built on formerly vacant land or an addition made to an existing house). Property owners can request to have assessments decreased if the value of property declines below its assessed value.

The County Auditor-Controller's office allocates the basic one percent property tax among the City of Fremont and a number of other tax receiving entities that also provide services to property located in Fremont. This includes the Fremont Unified School District, the East Bay Regional Park District, the County of Alameda, and a host of other local and regional governmental agencies. Additional taxes above the one percent basic rate are allocated for the specific purposes for which they were authorized (including landscape maintenance districts and similar mechanisms), and are not available for general operating funds.

According to the City of Fremont's Finance Department, the City's net share of property taxes collected in the Initiative area is approximately 14.8 percent. This is after accounting for deductions for the Education Revenue Augmentation Fund (ERAF).

**a. Market Value Appreciation and Annual Property Tax Increases.** The fiscal impact model calculates all expenditures and revenues on a current dollar basis. Over time, real property valuation may trail inflation because individual properties can only increase by the statutorily permitted two percent per year until such time as the property is sold to a new owner, at which time the property would be re-assessed at its full market value. According to the National Housing Price Index prepared by the Office of Federal Housing Enterprise Oversight, East Bay home values have appreciated at an annualized rate of 6.5 percent from 1981 to 2005. This represents a rate of approximately 3.5 percent above the Bay Area's inflation rate (see Figure 1 in Section A of this report). This higher rate of appreciation has a countervailing affect on estimates of property tax revenues vis-à-vis expected Proposition 13 lag.

A sale value of the land uses in each scenario has been used to estimate the assessed value of secured property. Unsecured property (mainly taxes on business equipment and fixtures) is difficult to estimate and has been omitted from this analysis. BAE estimated these sales values based on the current for-sale residential market and commercial and industrial comparables in Fremont, Union City, and Newark. Based on current sales in the market area, BAE estimated the current values of the homes and commercial and industrial space.<sup>11</sup> Below is a summary of property tax revenue by scenario.

#### Property Tax Revenue

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Total Property Tax Revenue	\$925,740	\$29,970	\$259,000	\$1,203,984

*See Table 12 for a detailed analysis*

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<sup>11</sup> See the Market Comparable Tables in Appendix C for an explanation of assessed value assumptions.

**Table 12: Property Tax Revenues****Development Program Assessed Value Assumptions and Property Tax Assumptions**

<b>Development Summary</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Agriculture Residential Parcels	5	9	0	0
<b>Residential</b>				
Large Lot Single Family (a)	261	0	100	0
Traditional Single-Family	0	0	0	473
For Sale Multifamily	0	0	0	207
For Sale Inclusionary (b)	0	0	0	120
<b>Commercial and Industrial</b>				
Neighborhood Commercial Square Feet	0	0	0	40,000
Industrial Research and Development Space	900,000	0	0	900,000
<b>Assessed Value Assumptions</b>				
Agriculture Residential Parcels (c)	\$1,125,000	\$2,250,000	\$2,250,000	\$2,250,000
Large Lot Single Family (d)	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
Traditional Single Family (e)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Townhouses and Stackflats	\$675,000	\$675,000	\$675,000	\$675,000
Inclusionary Housing (f)	\$300,650	\$300,650	\$300,650	\$300,650
Neighborhood Commercial (Per Sq. Ft.) (g)	\$180	\$180	\$180	\$180
Industrial Research and Development Space (Per Sq. Ft.) (g)	\$175	\$175	\$175	\$175

**Property Tax Revenues Alternative Analysis**

<b>Total Assessed Value</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Agricultural Residential Parcels (e)	\$5,625,000	\$20,250,000	\$0	\$0
<b>Residential</b>				
Large Lot Single Family (d)	\$456,750,000	\$0	\$175,000,000	\$0
Traditional Single Family (e)	\$0	\$0	\$0	\$473,000,000
For Sale Multifamily	\$0	\$0	\$0	\$139,725,000
For Sale Inclusionary (b)	\$0	\$0	\$0	\$36,078,000
<b>Commercial and Industrial</b>				
Neighborhood Commercial Square Feet	\$0	\$0	\$0	\$7,200,000
Industrial Research and Development Space	\$157,500,000	\$0	\$0	\$157,500,000
<b>Total Assessed Value</b>	<b>\$619,875,000</b>	<b>\$20,250,000</b>	<b>\$175,000,000</b>	<b>\$813,503,000</b>
1% Property Tax	\$ 6,198,750	\$ 202,500	\$ 1,750,000	\$ 8,135,030
% of Tax Distributed to Fremont General Fund	14.8%	14.8%	14.8%	14.8%
<b>Net Increase in Property Tax Revenue</b>	<b>\$917,415</b>	<b>\$29,970</b>	<b>\$259,000</b>	<b>\$1,203,984</b>

**Notes:**

- (a) Large lot single-family units are developments
- (b) Assumes large lot housing projects will pay an in-lieu fee as allowed under the City's inclusionary housing ordinance for large lot developments. and an even distribution of the inclusionary housing units by housing type among the Patterson Ranch Alternative which has lot sizes lower than 10,000 square feet.
- (c) Large lot housing ranges from 20,000 square foot lots to one acre lots. See Appendix C for comparables.
- (d) Assumes large units ranging between 2,500 and 3,500 square feet. See Appendix C for market comparables.
- (e) Property values of the agriculture residential parcels have been discounted by 50 percent to account for the parcelization and use restrictions of the agricultural easement.
- (f) Assumes an even mix of two bedroom inclusionary housing units and three bedroom inclusionary housing units.
- (g) See Appendix C for comparables.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; Meyers Group New Homes Sales, 2006; Co-Star Commercial and Industrial Market Reports, 2006; BAE, 2006.

**b. Property Transfer Taxes.** When real estate is sold within the City of Fremont, the County Recorder's office collects a property transfer tax of \$1.10 per \$1,000 in value. The City of Fremont receives \$0.55 per \$1,000 in value for every real property transaction within the City limits. The fiscal impact model projects the future generation of property transfer taxes resulting from the on-going resale of property within the boundaries of the Initiative area, where appropriate. The timing of the latter is based on the assumptions regarding the frequency of changes in ownership for each different land use type (turnover). For purposes of determining the average turnover of the residential units, this analysis uses the City of Fremont's turnover rate of owner-occupied units recorded in the 2000 U.S Census. According to the U.S. Census, approximately nine percent of total owner-occupied units sold in 1999. The analysis applies this turnover rate to all residential units programmed under the development scenarios.

In addition, this analysis assumes revenue generating properties (i.e. farms, commercial, and industrial) will turnover at a slower rate with an average of once every 20 years, or five percent per year. Table 13 shows the contribution of property transfer tax revenue to the City of Fremont General Fund. Overall, the scenarios contribute nominal increases in property transfer taxes to the City.

#### Property Transfer Tax Revenue

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Total Property Transfer Tax Revenue	\$28,372	\$557	\$9,092	\$38,239

*See Table 13 for a detailed analysis*

**c. Paramedic Parcel Taxes.** Local voters approved a paramedic parcel tax in 1997. The City uses the paramedic tax to pay for Fire Department training, equipment, and supplies as well as for corresponding overhead costs related to paramedic services. The current parcel tax levy is \$14.22 per residential unit and \$56.90 per commercial or industrial parcel. Table 14 applies the parcel taxes to each development program, assuming new industrial space would average 100,000 square feet per parcel and commercial development would remain a single parcel under the Patterson Ranch Proposal Scenario. The result is only a slight increase in Paramedic Parcel Taxes.

#### Paramedic Parcel Taxes

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Paramedic Taxes	\$4,224	\$128	\$1,422	\$10,494

*See Table 14 for a detailed analysis*

**Table 13: Property Transfer Tax Revenues****Assessed Value by Alternative**

<b>Total Assessed Value (a)</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Agricultural Residential Parcels	\$5,625,000	\$20,250,000	\$0	\$0
<b>Residential</b>				
Large Lot Single Family	\$456,750,000	\$0	\$175,000,000	\$0
Traditional Single-Family	\$0	\$0	\$0	\$473,000,000
For Sale Multifamily	\$0	\$0	\$0	\$139,725,000
For Sale Inclusionary	\$0	\$0	\$0	\$36,078,000
<b>Commercial and Industrial</b>				
Neighborhood Commercial Square Feet	\$0	\$0	\$0	\$7,200,000
Industrial Research and Development Space	\$157,500,000	\$0	\$0	\$157,500,000
<b>Total Assessed Value</b>	<b>\$619,875,000</b>	<b>\$20,250,000</b>	<b>\$175,000,000</b>	<b>\$813,503,000</b>

**Property Transfer Tax Assumptions**

Percentage of Properties Sold Every Year	
Agriculture Residential Parcels (Years)	5.0%
All Other For Sale Residential (Years) (b)	9.4%
Commercial and Industrial (Years)	5.0%

**Property Transfer Tax Revenue Alternatives Analysis**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Assessed Value</b>				
Agriculture Residential Parcels	\$5,625,000	\$20,250,000	\$0	\$0
All Other For Sale Residential	\$456,750,000	\$0	\$175,000,000	\$648,803,000
Commercial and Industrial	\$157,500,000	\$0	\$0	\$164,700,000
<b>Average Assessed Value of Units Sold Each Year</b>				
Agriculture Residential Parcels	\$281,250	\$1,012,500	\$0	\$0
All Other For Sale Residential	\$43,147,812	\$0	\$16,531,729	\$61,290,488
Commercial and Industrial	<u>\$7,875,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$8,235,000</u>
<b>Total Assessed Value of Units Sold</b>	<b>\$51,304,062</b>	<b>\$1,012,500</b>	<b>\$16,531,729</b>	<b>\$69,525,488</b>
<b>Property Transfer Tax</b>	<b>\$56,434</b>	<b>\$1,114</b>	<b>\$18,185</b>	<b>\$76,478</b>
<b>Percent to the City</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>
<b>Net Increase in Property Transfer Tax</b>	<b>\$28,217</b>	<b>\$557</b>	<b>\$9,092</b>	<b>\$38,239</b>

**Notes:**

(a) See Table 12 for a summary of the total assessed value by development alternative.

(b) The percent of properties sold each years is based on the number of owner-occupied properties sold in Fremont in one year compared to the total number of owner occupied units using U.S. 2000 Census data.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; Meyers Group New Homes Sales, 2006; U.S. Census, STF3A, 2000; Co-Star Commercial and Industrial Market Reports, 2006; BAE, 2006.

**Table 14: Paramedic Parcel Tax Revenues****Paramedic Parcel Tax Assumptions**

<b>Development Summary</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Agriculture Residential Parcels	0	9	0	0
<b>Residential</b>				
Large Lot Single Family (a)	261	0	100	0
Traditional Single-Family	0	0	0	402
For Sale Multifamily	0	0	0	176
For Sale Inclusionary (b)		(b)	(b)	120
<b>Commercial and Industrial</b>				
Neighborhood Commercial Square Feet	0	0	0	40,000
Industrial Research and Development Sq. Ft.	900,000	0	0	900,000
<b>Levey by Use</b>				
Agriculture Residential Parcels	\$14.22	\$14.22	\$14.22	\$14.22
All Residential Units	\$14.22	\$14.22	\$14.22	\$14.22
Industrial and Commercial Parcels	\$56.90	\$56.90	\$56.90	\$56.90

**Paramedic Parcel Tax Revenues Alternative Analysis**

<b>Increase in Paramedic Tax by Use</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Agricultural Residential Parcels	\$0	\$128	\$0	\$0
<b>Residential</b>				
All Residential Units	\$3,711	\$0	\$1,422	\$9,926
Industrial and Commercial Parcels (b)	\$512	\$0	\$0	\$569
<b>Net Increase in Paramedic Tax</b>	<b>\$4,224</b>	<b>\$128</b>	<b>\$1,422</b>	<b>\$10,495</b>

**Notes:**

(a) Large lot single-family units are developments

(b) Assumes one commercial property and one industrial property every 100,000 square feet of building space.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; Meyers Group New Homes Sales, 2006; Co-Star Commercial and Industrial Market Reports, 2006; BAE, 2006.

#### 4. Intergovernmental Revenues

a. **Vehicle License Fees and In-Lieu of Vehicle License Fees (VLF and ILVLF).** In place of imposing a property tax on motor vehicles, historically the State of California charged an “In-Lieu” Fee on vehicle registrations equal to 2 percent of the vehicle value. As part of the 2004 State budget deal, the State has altered the distribution methodology reducing the amount to be passed on to local jurisdictions. The State reduced the VLF fees to 0.65 percent of assessed value. Though the State no longer back-fills the remaining 1.35 percent, property taxes are redirected back to the City In-Lieu of VLF. The State collects these fees with annual vehicle registration fees, and allocates a portion back to local governments. Approximately 10 percent of total VLF collected is based on the City’s population with the remaining to be allocated based on growth on overall assessed value.

*VLF Revenues.* The City receives a small portion of VLF based on its total population. In Fiscal Year 2006/07, the City received approximately \$7.15 in VLF revenues per resident. To determine future revenues, the fiscal analysis multiplies the current VLF revenues per resident by the projected increase in residents under each scenario.

##### VLF Revenue

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
VLF Revenues Per Resident	\$7.15	\$7.15	\$7.15	\$7.15
New Residents	843	29	317	2,536
<b>VLF Revenue</b>	<b>\$6,026</b>	<b>\$204</b>	<b>\$2,266</b>	<b>\$18,125</b>

*See Table 15 for a detailed analysis*

*ILVLF Revenues.* In addition to VLF, the City also receives money in-lieu of vehicle license fees from the state based on their original VLF revenues and the growth the City’s assessed values. To project the growth in ILVLF revenues, the analysis compares the projected increase in assessed value by scenario to the City’s total assessed value, estimated at approximately \$25 billion. As an example, buildout of the General Plan & Zoning Scenario would generate a 2.5 percent increase in the City’s total assessed value. The 2.5 percent is then applied to the City’s current ILVLF revenues (\$13.8 million) to determine the net increase in revenues. The result is a projected increase of approximately \$340,000 under the General Plan Scenario.

##### ILVLF Revenue

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Current Year IVLF Payment	\$13,798,000	\$13,798,000	\$13,798,000	\$13,798,000
% increase in Total AV	2.48%	0.08%	0.69%	3.23%
<b>IVLF Revenue</b>	<b>\$342,486</b>	<b>\$11,088</b>	<b>\$95,819</b>	<b>\$445,425</b>

*See Table 16 for a detailed analysis*

b. **State Gas Tax Subventions.** The State of California distributes gas taxes to cities based on State Street and Highway code sections 2105, 2106, and 2107. The use of gas taxes is restricted to roadway construction and maintenance-related activities. These are generally capital costs and not intended to be expended for on-going operations and maintenance. In estimating costs to the City’s Transportation and Operations Department, the fiscal analysis subtracted non-General Fund revenues, such as gas tax, to determine the actual discretionary fiscal impact to the City. Thus, gas tax revenues projections are not included in this fiscal analysis.



**Table 15: Motor Vehicle License Fee Revenues****Motor Vehicle Fee Revenue Assumption**

<b>Current Revenue</b>	<b>2005-06</b>
Motor Vehicle In-Lieu Fees (a)	\$1,502,000
Resident Population	210,158
Motor Vehicle Revenues per Capita	\$7.15

**Property Tax In Lieu of Vehicle License Fees Alternative Assumptions**

<b>New Revenues by Alternative</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Residents	843	29	317	2,536
Revenue Per Capita	\$7.15	\$7.15	\$7.15	\$7.15
<b>New VLF Revenues</b>	<b>\$6,026</b>	<b>\$204</b>	<b>\$2,266</b>	<b>\$18,125</b>

Note:

(a) Vehicle License Fees are calculated on a per resident basis.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June,

**Table 16: Property Tax In Lieu of VLF Revenues****Property Tax In Lieu of Vehicle License Fees**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Estimated New Assessed Value (a)	\$619,875,000	\$20,250,000	\$175,000,000	\$813,503,000
Total Assessed Value in Fremont (2006) (b)	\$25,200,000,000	\$25,200,000,000	\$25,200,000,000	\$25,200,000,000
Percent Increase in Property Taxes	2.46%	0.08%	0.69%	3.23%

**Property Tax In Lieu of Vehicle License Fees Alternative Assumptions**

<b>ILVLF Revenue</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Current Year ILVLF Payment	\$13,798,000	\$13,798,000	\$13,798,000	\$13,798,000
% increase in ILVLF payment resulting from buildout	2.46%	0.08%	0.69%	3.23%
New Total ILVLF Payment to Fremont	\$14,137,406	\$13,809,088	\$13,893,819	\$14,243,425
<b>Net Increase in ILVLF Revenues</b>	<b>\$339,406</b>	<b>\$11,088</b>	<b>\$95,819</b>	<b>\$445,425</b>

Notes:

(a) See Table 12 for a summary of the new property taxes generated from each alternative.

(b) Finance Department, City of Fremont, June, 2006.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; Meyers Group New Homes Sales, 2006; Co-Star Commercial and Industrial Market Reports, 2006; BAE, 2006.

## 5. Other General Fund Revenues

a. **Business License Taxes.** Within the City of Fremont, businesses pay an annual tax, based on gross receipts or payroll. It is very difficult to accurately estimate future business license tax revenues, since gross receipts can vary greatly, depending not only on the size of a business establishment, but also on the types of activities that are undertaken within the City. The fiscal impact model uses the current per employee Business License Tax revenue figure to project the future increase that might be attributable to each scenario, based on projected employment.

Current revenues and citywide employment yield average Business License Fee Revenue of \$71 per employee. Table 17 applies this figure to the estimated new private employment in each scenario and projects increases in Business License Fee revenue of zero for both Initiative Scenarios and approximately \$182,000 and \$195,000 under the General Plan & Zoning and Patterson Ranch Proposal, respectively.

### Business License Revenues

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
License Fee Per Employee	\$71	\$71	\$71	\$71
New Employees	2,571	0	0	2,762
<b>Business License Revenue</b>	<b>\$181,794</b>	<b>\$0</b>	<b>\$0</b>	<b>\$195,233</b>

See Table 17 for a detailed analysis

b. **Franchise Fee Revenues.** The City of Fremont collects fees from service providers who are granted franchises to provide services within the City and operate within the public rights-of-way, including the gas, electric, and cable TV utilities, and the local garbage collection service. Franchise fees are calculated as a percentage of revenues; therefore, as the number of customers for these services grows, franchise fee revenues will also grow.

Without the ability to directly estimate the amounts of revenues that new development will generate for the franchise providers, the fiscal impact model uses average “per service population” figures to estimate increases in franchise fee to estimate increases. Table 18 estimates the average fee per service population is approximately \$30. Below is a summary of the projected increase in franchise fees for each scenario.

### Franchise Fee Revenues

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Franchise Fee Per Service Population	\$30	\$30	\$30	\$30
Service Population Increase	2,129	29	317	3,917
<b>Franchise Fee Revenue</b>	<b>\$64,563</b>	<b>\$865</b>	<b>\$9,613</b>	<b>\$118,781</b>

See Table 18 for a detailed analysis

c. **Fines and Forfeitures.** The City of Fremont collects revenues from parking fines and other Vehicle Code court fines. These revenues are expected to increase on a “per service population” basis in the scenario. Estimated fines and forfeitures revenues for each scenario are shown in Table 19.

d. **Transient Occupancy Tax.** The City of Fremont collects a transient occupancy tax equal to eight percent of room rates for stays of 30 days or less. Lodging operators are required to collect this tax along with their guest bills, and forward the revenues to the City. Because none of the scenarios include lodging facilities in their development program, this fiscal analysis assumes no net gain in transient occupancy tax. This is a conservative estimate as employment and population growth can result in

increased overnight stays from persons visiting local residents or businesses within the Initiative area. Still, the overall increase to overnight stays is unknown and thus omitted from this analysis.

**Table 17: Business License Revenues****Business License Fee Revenue Assumption**

<b>Business License Fee</b>	<b>2006-07</b>
Business License Fee (2006)	\$6,941,000
Employees	98,179
Average Business License Fee/Employee	\$71

**Business License Fee Revenue Alternative Analysis**

<b>Business License Fee Revenue</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Employment	2,571	0	0	2,762
Business License Fee Per Employee	\$71	\$71	\$71	\$71
<b>New Business License Fee Revenue</b>	<b>\$181,794</b>	<b>\$0</b>	<b>\$0</b>	<b>\$195,233</b>

Note:

(a) Assumes that the large parcel will have an average of 50 employees per business.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; BAE, 2006.

**Table 18: Franchise Fee Revenues****Franchise Fee Revenue Assumptions**

<b>Current Revenue</b>	<b>2005-06</b>
Total Franchise Fee Revenues	\$7,862,000
Total Service Population (a)	259,247
Resident Population	210,158
Employment	98,179
<b>Franchise Fee Revenues per Service Population</b>	<b>\$30.33</b>

**Franchise Fee Revenue Alternative Analysis**

<b>Franchise Fee Revenue By Alternative</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Residents	843	29	317	2,536
Net New Employment	2,571	0	0	2,762
Net New Service Population	2,129	29	317	3,917
Revenue Per Service Population	\$30.33	\$30.33	\$30.33	\$30.33
<b>New Franchise Fee Revenue</b>	<b>\$64,563</b>	<b>\$865</b>	<b>\$9,613</b>	<b>\$118,781</b>

Note:

(a) Service population estimates are based on January 1, 2005 population and employment estimates.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; BAE, 2006.

**Table 19: Fines and Forfeitures****Fine and Forfeiture Revenue Assumptions**

<b>Current Service Standards</b>	<b>2006-07</b>
Total Fines and Forfeiture Revenues (a)	\$3,235,000
Total Service Population (b)	259,247
Resident Population	210,158
Employment	98,179
<hr/>	
Fines and Forfeiture Revenues per Service Popula	\$12.48

**Fines and Forfeiture Revenue Alternative Analysis**

<b>New Fines and Forfeitures by Alternative</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Net New Residents	843	29	317	2,536
Net New Employment	2,571	0	0	2,762
Net New Service Population	2129	29	317	3917
Revenue Per Service Population	\$12.48	\$12.48	\$12.48	\$12.48
<hr/>		<hr/>		
<b>Total Fine and Forefeitures</b>	<b>\$26,566</b>	<b>\$356</b>	<b>\$3,956</b>	<b>\$48,875</b>

Note:

(a) Includes Bail Forfeiture Fines, and Vehicle Code Fines.

(b) Service population estimates are based on January 1, 2006 population and employment estimates.

Sources: Finance Department, City of Fremont, June, 2006; BAE, 2006.

#### **D. PROJECTED NET FISCAL BALANCE**

##### **Annual City General Fund Fiscal Impacts**

Table 20 summarizes the projected increases in net General Fund costs and revenues for each scenario at buildout. The fiscal impact analysis projects that development under the General Plan would result in a net fiscal surplus of approximately \$1.1 million. This represents the largest surplus among the four scenarios evaluated. The Initiative Scenarios would generate smaller surpluses of approximately \$38,000 under the Farmland Scenario and \$117,000 under the Residential Scenario. Finally, the Patterson Ranch Proposal Scenario would generate an estimated surplus at approximately \$654,000 at buildout. In large part, the Patterson Ranch Proposal Scenario shows a lower surplus to the General Fund because of the significantly higher park land maintenance costs; estimated at \$690,000 per year compared to \$250,000 under the General Plan & Zoning Scenario. If the Patterson Ranch Proposal Scenario were to maintain park land through a homeowner's association or assessment district, the difference in fiscal impacts would be significantly less.

##### **City of Fremont Net Fiscal Impact**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Projected Costs	\$772,136	\$7,012	\$289,493	\$1,881,105
Projected Revenues	\$1,870,210	\$45,472	\$406,772	\$2,535,170
<b>Net Fiscal Surplus/(Deficit)</b>	<b>\$1,098,074</b>	<b>\$38,460</b>	<b>\$117,279</b>	<b>\$654,064</b>

*See Table 20 for a detailed analysis*

**Table 20: City of Fremont Net Fiscal Impact****Projected Costs Alternative Analysis**

<b>Projected Costs</b>	<b>Buildout (a)</b>			
	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Police	\$249,949	\$0	\$77,768	\$688,621
Fire	\$227,703	\$3,051	\$33,905	\$418,922
Parks and Recreation	\$35,764	\$1,210	\$126,532	\$338,901
Transportation and Operations	\$168,780	\$1,277	\$34,911	\$253,837
Economic Development	\$5,799	\$78	\$863	\$10,669
Community Development	\$21,112	\$283	\$3,144	\$38,842
Human Services	\$13,150	\$445	\$4,944	\$39,549
General Government	\$49,878	\$668	\$7,427	\$91,765
<b>Subtotal: Costs</b>	<b>\$772,136</b>	<b>\$7,012</b>	<b>\$289,493</b>	<b>\$1,881,105</b>

**Projected Revenues Alternative Analysis**

<b>Projected Revenues</b>	<b>Buildout (a)</b>			
	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Sales Tax	\$280,449	\$2,140	\$23,777	\$423,472
Proposition 172 Public Safety Sales Tax	\$21,550	\$164	\$1,827	\$32,541
Property Tax	\$917,415	\$29,970	\$259,000	\$1,203,984
Property Transfer Tax	\$28,217	\$557	\$9,092	\$38,239
Paramedic Parcel Tax	\$4,224	\$128	\$1,422	\$10,495
Vehicle License Fees	\$6,026	\$204	\$2,266	\$18,125
ILVLF	\$339,406	\$11,088	\$95,819	\$445,425
Business License Fees	\$181,794	\$0	\$0	\$195,233
Franchise Fees	\$64,563	\$865	\$9,613	\$118,781
Fines and Forfeiture Fees	\$26,566	\$356	\$3,956	\$48,875
<b>Subtotal: Revenues</b>	<b>\$1,870,210</b>	<b>\$45,472</b>	<b>\$406,772</b>	<b>\$2,535,170</b>

**Projected General Fund Deficit/Surplus Alternative Analysis**

<b>Net Fiscal Surplus/(Deficit) (b)</b>	<b>\$1,098,074</b>	<b>\$38,460</b>	<b>\$117,279</b>	<b>\$654,064</b>
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Note:

(a) All cost and revenue figures are in 2006 dollars.

Sources: Finance Department, City of Fremont, June, 2006; Community Development Department, City of Fremont, June, 2006; Meyers Group New Homes Sales, 2006; Co-Star Commercial and Industrial Market Reports, 2006; BAE, 2006.

## **E. CITY OF FREMONT CAPITAL FACILITY COSTS**

New development increases the need for municipal facilities and infrastructure. The City uses development impact fees to fund the needs generated by new development for facilities and infrastructure, including fire facilities, capital facilities, parks, and traffic improvements. A development impact fee is a monetary exaction other than a tax or special assessment that is charged by a local governmental agency to an applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project. (Gov. Code § 66000(b).). The City assesses these fees on new development or on land use changes that increase the need for these improvements. The fees represent only new development's proportionate share of the costs of these improvements. New development is not required to remedy any existing service or infrastructure deficiency.

Capital improvements provided by the fees are essential for maintaining quality of life and for mitigating the citywide cumulative impacts of new development. In 2002, The City of Fremont performed a comprehensive analysis updating five development impact fees:

- Fire Facilities fee, which funds fire station costs and associated start-up equipment;
- Capital Facilities fee, which funds City facilities such as the Police Building, a new City Administration building, the City Services Center (Corporation Yard), libraries, and senior centers;
- Traffic fee, which funds freeway interchanges, roadway widenings, intersection improvements, traffic signals, and signal interconnects;
- Park Facilities fee, which funds new park improvements such as sports fields, restrooms, play areas, landscaping, and parking; and
- Park Dedication In-Lieu fee, which funds the acquisition of parkland. The City collects this fee under the authority of the Quimby Act and the City's Park Dedication In-Lieu fee ordinance.

The City sets fee levels by analyzing the expected cost to provide capital facilities and allocating new development's share among the expected future development. In 2002, the City estimated the total cost of public facilities covered by the fee program at \$443 million. These costs were spread over all expected residential and non-residential development to set fee levels.

Changes in the expected build out of development sites such as the Initiative area can have an effect on the City's ability to fund known capital needs. The 2002 Development Impact Fee Study assumed residential development on the project site totaling 72 dwelling units and 1.4 million square feet of R&D development on the Cargill Salt site. Changes in development in the Initiative area could result in changes in the amount of fees collected and the infrastructure needed to serve new development citywide. Upon consultation with City staff, none of the development scenarios would necessitate the expansion or deletion of any facilities or infrastructure identified as needed in any of the development impact fee programs. Therefore there is no change in the total capital costs funded by these programs, only the fees collected will vary from scenario to scenario.

Based on the existing adopted fee structure, Table 21 shows the fees collected from the development scenarios and the change from the base case. For the Initiative Residential and Patterson Ranch Scenarios parkland dedication in-lieu fees are not collected – both of these scenarios call for the dedication of community parklands in excess of the five acre per thousand residents mandated by the fee program.

### **Adequacy of Existing Fee Structure**

Based on the June 6th staff report regarding updates to the fee programs, construction and land costs have risen substantially since 2002 and even the annual fee updates may not fund construction fully. Assuming that the proposed 2006 fee structure is the best available estimate of the future cost to provide



**Table 21: Development Impact Fees, Existing Fees May 2005****Development Scenarios**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)
	SFD	Townhomes	MFR		
Baseline	72				1,400,000
1: General Plan and Zoning	266	-	-	-	900,000
2: Initiative Farmland	9	-	-	-	-
3: Initiative Residential	100	-	-	-	-
4: Patterson Ranch Proposal	557	-	243	40,000	900,000

**Fire Facilities Fee**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total Impact Fee
	SFD	Townhomes	MFR			
Fee	\$321	\$250	\$213	\$0.119	\$0.137	
Baseline	\$23,112	\$0	\$0	\$0	\$191,800	\$214,912
1: General Plan and Zoning	\$85,386	\$0	\$0	\$0	\$123,300	\$208,686
2: Initiative Farmland	\$2,889	\$0	\$0	\$0	\$0	\$2,889
3: Initiative Residential	\$32,100	\$0	\$0	\$0	\$0	\$32,100
4: Patterson Ranch Proposal	\$178,797	\$0	\$51,759	\$4,760	\$123,300	\$358,616

**Traffic Facilities Fee**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total Impact Fee
	SFD	Townhomes	MFR			
Fee	\$2,513	\$2,513	\$1,949	\$5.00	\$2.54	
Baseline	\$180,936	\$0	\$0	\$0	\$3,556,000	\$3,736,936
1: General Plan and Zoning	\$668,458	\$0	\$0	\$0	\$2,286,000	\$2,954,458
2: Initiative Farmland	\$22,617	\$0	\$0	\$0	\$0	\$22,617
3: Initiative Residential	\$251,300	\$0	\$0	\$0	\$0	\$251,300
4: Patterson Ranch Proposal	\$1,399,741	\$0	\$473,607	\$200,000	\$2,286,000	\$4,359,348

**Park Facilities Fee**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total Impact Fee
	SFD	Townhomes	MFR			
Fee	\$7,745	\$6,079	\$5,155	\$0.00	\$0.00	
Baseline	\$557,640	\$0	\$0	\$0	\$0	\$557,640
1: General Plan and Zoning	\$2,060,170	\$0	\$0	\$0	\$0	\$2,060,170
2: Initiative Farmland	\$69,705	\$0	\$0	\$0	\$0	\$69,705
3: Initiative Residential	\$774,500	\$0	\$0	\$0	\$0	\$774,500
4: Patterson Ranch Proposal	\$4,313,965	\$0	\$1,252,665	\$0	\$0	\$5,566,630

**Park Dedication in-Lieu Fee**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total Impact Fee
	SFD	Townhomes	MFR			
Fee	\$11,519	\$9,042	\$7,668	\$0.00	\$0.00	
Baseline	\$829,368	\$0	\$0	\$0	\$0	\$829,368
1: General Plan and Zoning	\$3,064,054	\$0	\$0	\$0	\$0	\$3,064,054
2: Initiative Farmland	\$103,671	\$0	\$0	\$0	\$0	\$103,671
3: Initiative Residential	\$1,151,900	\$0	\$0	\$0	\$0	\$1,151,900
4: Patterson Ranch Proposal	\$6,416,083	\$0	\$1,863,324	\$0	\$0	\$8,279,407

**Table 21: Development Impact Fees, Existing Fees May 2005 (continued)****Capital Facilities Fee**

Scenarios	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total Impact Fee
	SFD	Townhomes	MFR			
Fee	\$2,951	\$2,318	\$1,965	\$0.784	\$0.895	
Baseline	\$212,472	\$0	\$0	\$0	\$1,253,000	\$1,465,472
1: General Plan and Zoning	\$784,966	\$0	\$0	\$0	\$805,500	\$1,590,466
2: Initiative Farmland	\$26,559	\$0	\$0	\$0	\$0	\$26,559
3: Initiative Residential	\$295,100	\$0	\$0	\$0	\$0	\$295,100
4: Patterson Ranch Proposal	\$1,643,707	\$0	\$477,495	\$31,360	\$805,500	\$2,958,062

**Total Fees (a)**

Scenarios	Total Impact Fee	Increase In Impact Fee
Baseline	\$6,804,328	\$0
1: General Plan and Zoning	\$9,877,834	\$3,073,506
2: Initiative Farmland	\$225,441	(\$6,578,887)
3: Initiative Residential	\$2,504,900	(\$4,299,428)
4: Patterson Ranch Proposal	\$21,522,063	\$14,717,735

**Fees with Parkland Dedication**

Scenarios	Total Impact Fee	Increase In Impact Fee
Baseline	\$6,804,328	\$0
1: General Plan and Zoning	\$9,877,834	\$3,073,506
2: Initiative Farmland	\$225,441	(\$6,578,887)
3: Initiative Residential (b)	\$1,353,000	(\$4,621,960)
4: Patterson Ranch Proposal (b)	\$13,242,656	\$7,267,696

**Baseline Fees Based on 2006 Study**

	Housing Units			Retail (Sq.Ft.)	R&D (Sq.Ft.)	Total
	SFD	Townhomes	MFR			
Fire Facilities Fee	\$349	\$272	\$231	\$0.13	\$0.15	
Traffic Facilities Fee	\$3,878	\$3,878	\$3,007	\$7.72	\$3.91	
Park Facilities Fee	\$7,970	\$6,255	\$5,304	\$0.00	\$0.00	
Park Dedication in-Lieu Fee	\$15,666	\$12,297	\$10,428	\$0.00	\$0.00	
Capital Facilities Fee	\$3,187	\$2,503	\$2,122	\$0.85	\$0.97	
<b>Total Fees (a)</b>	<b>\$2,235,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,040,600</b>	<b>\$9,276,200</b>
<b>Fees with Parkland Dedication (b)</b>	<b>\$1,107,648</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,040,600</b>	<b>\$8,148,248</b>

**Fees with Parkland Dedication**

Scenarios	Total Impact Fee	Increase In Impact Fee
Baseline	\$9,276,200	\$0
1: General Plan and Zoning	\$9,877,834	\$601,634
2: Initiative Farmland	\$225,441	(\$9,050,759)
3: Initiative Residential (b)	\$1,353,000	(\$6,795,248)
4: Patterson Ranch Proposal (b)	\$13,242,656	\$5,094,408

**Notes:**

(a) Assumes payment of all fees including parkland in-lieu fees for scenarios that dedicate parkland.

(b) Does not include park dedication fees for Scenarios 3 &amp; 4 because parkland dedication is included in these scenarios.

Source: Coyote Hills Initiative; Impact Sciences; *Development Impact Fees Fact Sheet*, May 11, 2005 City of Fremont; BAE 2006

City capital facilities, BAE calculated the difference between the development fees collected under the existing fee programs and the Initiative areas share of infrastructure represented by the baseline development contribution using the proposed 2006 fees.

It should be noted that typically capital improvement planning is related to the known planned growth; and that changes in development build out can trigger extensive engineering analysis to determine new capital requirements. Due to time and budgetary constraints, a full analysis of the scale of each set of capital improvements to support the varying development scenarios is not possible. Nor has BAE been able to ascertain that the total capital costs collected by impact fees will be adequate to build the identified facilities.

It should be noted that typically capital improvement planning is related to the known planned growth; and that changes in development build out can trigger extensive engineering analysis to determine new capital requirements. Due to time and budgetary constraints, a full analysis of the scale of each set of capital improvements to support the varying development scenarios is not possible. Nor has BAE been able to ascertain that the total capital costs collected by impact fees will be adequate to build the identified facilities. Based on the June 6<sup>th</sup> staff report regarding updates to the fee programs construction and land costs have risen substantially since 2002 and even the annual fee updates may not fund construction fully. BAE has calculated development fees based on the existing adopted fees and the proposed 2006 fees. BAE believes the 2006 fees are a better benchmark for fee amounts that will allow the City to collect sufficient funds to pay for programmed facilities.

### **Scenario 1: General Plan & Zoning**

This scenario allows residential and agricultural uses on the Patterson Ranch property and restricted industrial uses (including office and R&D uses) on the Cargill Salt property. Development impacts fees on the 266 units and office and R&D uses allowed in this scenario will generate \$9.9 million in development impact fees. This would result in the City collecting \$600,000 to \$3.1 million more in development impact fees than projected for the Initiative area.

### **Scenario 2: Initiative Farmland**

This scenario allows agricultural and related residential uses on the Patterson Ranch property and only open space uses on the Cargill Salt property. Development impacts fees on the nine units allowed in this scenario will generate \$225,000 in development impact fees. This would result in a shortfall of \$6.6 million to \$9.1 million in development impact fees to fund citywide capital facility needs.

### **Scenario 3: Initiative Residential**

This scenario allows agricultural and residential uses on the Patterson Ranch property and only open space uses on the Cargill Salt property, requiring the donation of the land to EBRPD. Development impacts fees on the 100 units allowed in this scenario will generate \$2.5 million development impact fees and dedication of 20 acres of parkland. This would result in a shortfall of \$4.6 million to \$6.8 million in development impact fees to fund citywide capital facility needs.

### **Scenario 4: Patterson Ranch Proposal**

This scenario allows residential, commercial, open space and park uses on the Patterson Ranch property and restricted industrial uses (including office and R&D uses) on the Cargill Salt property. Development

impacts fees on the 800 units and office and R&D uses allowed in this scenario will generate \$13.2 million in development impact fees and dedication of 38 acres of citywide parkland and 12 acres of neighborhood serving parks. This would result in the City collecting \$5.1 million to \$7.3 million more in development impact fees than projected for the Initiative area.

#### **Development Impact Fee Summary**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Increased Fees – Existing Baseline	\$3,073,506	(\$6,578,887)	(\$4,621,960)	\$7,267,696
Increased Fees – 2006 Baseline	\$601,634	(\$9,050,759)	(\$6,795,248)	\$5,094,408

*See Tables 21 for detailed analysis*

## F. HOUSING

### 1. Housing Element

The State mandates each city to accommodate its “fair share” of housing by adopting a state-certified Housing Element. Under state housing law, the City must identify sufficient land and opportunity sites to accommodate its allotted housing needs as determined by the State and allocated within the region by ABAG. The housing need allocations represent the number of very low-, low-, moderate-, and above moderate-income housing units the city must accommodate within the Housing Element Planning Period (See Table 22). The State certifies each housing element to confirm its compliance with State housing law. The City of Fremont certified housing element was adopted in May 2003 and extends to June 2009. At the end of the housing element planning period, the City will update its Housing Element based on new housing allocations distributed by ABAG. If the City’s Housing Element is not certified, the City can be sued, normally by a housing advocacy organization, to force compliance. The following section discusses how the different development scenarios will impact the City’s ability to meet its current and future housing needs.

**a. Current Regional Housing Need.** Fremont’s Regional Housing Need Determination for the current Housing Element planning period (January 1999 to June 2009) indicated a need for 6,708 new housing units. Of this amount, there is a need for 1,079 very low income units, 636 low income units, 1,814 moderate units, and 3,179 above moderate units.

Between January 1999 to January 2002, Fremont added 1,701 housing units, of which 138 were very low, 34 were low, 13 were moderate, and 1,516 were above moderate. Since January 2002, the City has continued to track housing production and has approved another 1,191 units as of June 2005.<sup>12</sup> Among those units approved, there were 188 very low-income units, 180 low-income units, 70 moderate-income units, and 753 above moderate-income units. As shown on Table 22, the units constructed and the units approved are deducted from the City’s Regional Housing Need Determination to determine Fremont’s remaining housing need of 3,249 units.

**Table 22: Remaining Regional Housing Need**

Household Income Level	Total Housing Need Allocation (1999-2009)	Units Added to Housing Stock (1999 - 2002)	Units Approved or Under Construction (Jan. 2002-Jun. 2005)	Remaining Housing Need (June, 2005)
Very Low	1,079	138	259	682
Low	636	34	72	530
Moderate	1,814	13	38	1,763
Above Moderate	3,179	1,516	1,389	274
<b>Total</b>	<b>6,708</b>	<b>1,701</b>	<b>1,758</b>	<b>3,249</b>

Notes:

(a) The Regional Housing Need is allocated to the City of Fremont by the Association of Bay Area Governments, assuming the City takes its regional share of housing as determined by the state.

Sources: City of Fremont, 2004 and 2005 General Plan and Housing Element Annual Reports; Fremont Building Permit records; BAE, 2006.

<sup>12</sup> These units may or may not be under construction as developers do not always begin construction immediately after receiving approvals.

**b. Ability to Meet Current Moderate-Income Housing Need.** While most of the units envisioned under the four scenarios would generate above moderate-income housing, a portion of the housing would be available to moderate-income households through the City's inclusionary housing ordinance. Under Fremont's Inclusionary Housing Ordinance, all new residential development that includes seven or more units (or lots) must provide a minimum of 15 percent of the total units as affordable housing. The Ordinance specifies that for-sale units must be affordable to moderate-income households, and rental units must be affordable to very low- and low-income households.

Due to the inclusionary housing program, the more units planned within the scenario, the more affordable units are developed, which help to address the City's overall housing need. Table 23 estimates the number of inclusionary units each scenario will generate. The Initiative Farmland Scenario 2 would generate approximately 1.35 affordable units, 15 affordable units under Initiative the Initiative Residential Scenario, approximately 40 affordable units under the General Plan Scenario, and 120 affordable units under the Patterson Ranch Proposal Scenario.

**Table 23: Affordable Housing Production**

<b>Residential Units</b>	<b>General Plan/Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Total Residential Units</b>	266	9	100	800
<b>Total Affordable Units</b>	40	1.35	15	120

Sources: City of Fremont General Plan, June, 2003; City of Fremont Community Development Department, May, 2006; BAE, 2006

A comparison of the remaining moderate-income housing need to the potential moderate-income units that would result under the four development scenarios indicates that under Initiative Farmland Scenario 2, the production of 1.35 moderate income units would accommodate less than 0.1 percent of the remaining moderate income housing need. Under the Initiative Residential Scenario 3, the production of 15 moderate income units would accommodate one percent of the remaining moderate income need. The production of 40 moderate income units under existing zoning would accommodate approximately two percent of remaining need. Under the proposed Patterson Ranch development, the production of 120 moderate income units would accommodate approximately seven percent of the remaining moderate income housing need.

**Table 24: Affordable Housing Production Compared to Regional Housing Need**

<b>Moderate-Income Housing Production by Scenario</b>								
<b>Remaining Moderate Income Housing Need</b>	<b>General Plan/Zoning</b>		<b>Initiative Farmland</b>		<b>Initiative Residential</b>		<b>Patterson Ranch Proposal</b>	
	<b>Units</b>	<b>% of Mod</b>	<b>Units</b>	<b>% of Need</b>	<b>Units</b>	<b>% of Need</b>	<b>Units</b>	<b>% of Need</b>
<b>1,763</b>	40	2.3%	1.35	0.1%	15	0.9%	120	6.8%

Notes: The remaining moderate-income housing need is after accounting for units constructed or approved since the Housing Element period and the last year's Housing Element progress report.

Sources: City of Fremont, 2004 and 2005 General Plan and Housing Element Annual Reports; Fremont Building Permit records; City of Fremont General Plan, June 2003; City of Fremont Community Development Department, May 2006; BAE, 2006.

**c. Ability to Meet Future Housing Needs.** The City will receive another housing allocation from the State and distributed by ABAG once the current Housing Element period expires in June 2009. At that point, the City is required under State law to update its Housing Element which must identify sites able to accommodate its new housing need allocation. The City's remaining housing capacity will be integral to meeting its future housing allocation.

During the current Housing Element process, the City rezoned a number of commercial and industrial properties and increased the allowed densities on certain residential properties. This resulted in a current capacity of approximately 5,375 housing units. Upon completion of fulfilling its remaining housing need under the current Housing Element of 3,249 units, the City will have a remaining housing capacity of approximately 2,100 housing units, assuming 74 units would be constructed on the Patterson Ranch property.<sup>13</sup>

Any changes to the allowed development on Patterson Ranch will impact the City's ability to meet its future housing needs. Table 25 summarizes how the different development scenarios will change the City's housing capacity after fulfilling the City's current housing need allocation. The General Plan Scenario increases the City's remaining capacity by 192 units after accounting for the City's remaining need under the current Regional Housing Need Allocation. Under the Initiative Farmland Scenario, the City's remaining capacity would decrease by 65 units (i.e. nine units under the Scenario less 74 units assumed under current the inventory). Under the Initiative Residential Scenario, the City's remaining housing capacity would increase by approximately 26 units, or approximately one percent. The Patterson Ranch Proposal increase the City's remaining capacity by 34 percent by adding 726 housing units to the City's remaining housing capacity.

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<sup>13</sup> The current adopted Housing Element assumes a unit capacity of 74 units at Patterson Ranch. This is part of the City's remaining site inventory for housing.

**Table 25: Change in Housing Capacity by Scenario**

Remaining Housing Capacity				
Household Income Level	Housing Unit Capacity	Remaining Housing Need	Remaining Housing Capacity	
Very Low	2,000	682	1,318	
Low	1,984	530	1,454	
Moderate	1,196	1,763	(567)	(a)
Above Moderate	195	274	(79)	(a)
<b>Total</b>	<b>5,375</b>	<b>3,249</b>	<b>2,126</b>	<b>(b)</b>

Patterson Ranch Percent Change in Unit Capacity (c)				
	General Plan/Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Remaining Capacity	2,126	2,126	2,126	2,126
Change in # of Units (c)	192	-65 (d)	26	726
New Housing Capacity	2,318	2,061	2,152	2,852
% Increase /Decrease	9%	-3%	1%	34%

**Notes:**

(a) A portion of the remaining very low- and low-income capacity is allocated to the moderate- and above-moderate income housing capacity. Sites that can accommodate very low- and low-income housing units can also accommodate moderate and above moderate.

(b) The total remaining capacity after accounting for the City's existing housing need is approximately 2,126 housing units.

(c) The adopted Housing Element site inventory analysis assumes 74 units will be constructed on Patterson Ranch.

(d) Because the remaining housing capacity assumes 74 units at the Patterson Ranch, reduced zoning under the Initiative Farmland Scenario would result in a net decrease in Fremont's remaining housing capacity.

Sources: City of Fremont, Housing Element 2001-2006; City of Fremont 2004 and 2005 General Plan and Housing Element Annual Reports; Fremont Building Permit records; BAE, 2006.

## 2. Impact on Fremont's Jobs/Housing Balance

**a. Background and Definition.** One measure of economic and fiscal vitality is the ratio between the number of jobs in a community and the number of employed residents in that community. Theoretically, if this ratio is one or more, it means that there is at least one job in a community for every resident who is working. A ratio of 1:1 for jobs to employed residents is considered ideal for a balanced community.

Housing, employment and transportation are key issues in communities throughout the Bay Area, including Fremont. Supporting economic and employment growth while addressing the associated problems such as an overburdened transportation system, lengthy commute times, and air pollution has been a constant challenge to local governments throughout the region.

Given these conditions, city planners and elected officials in the Bay Area seek to balance the number of housing units with the number of jobs within a given community (the jobs/housing balance). The jobs/housing balance can be expressed statistically as the ratio of employment in a given city divided by



the number of employed residents. A balance of jobs/housing allows people to live closer to where they work, thus reducing commute times, air pollution, and the burden on the regional transportation infrastructure.

**b. Existing Conditions.** As shown in Table 26, data from the Association of Bay Area Governments (ABAG) shows that Fremont has approximately 98,200 jobs. The estimated number of employed residents is 104,140, which translates into a jobs/employed resident of approximately 0.94. The City of Fremont currently has a larger supply of employed residents than jobs, thereby making the City a net exporter of workers. In other words, to achieve the ideal 1 job for every one employed resident, the City would need to add employment.

**c. Development Scenarios.** This analysis considers the four scenarios and their potential impact on Fremont's jobs/housing balance:

Data in Table 26 show that the General Plan Scenario 1 could potentially result in 2,571 employees and 333 employed residents.<sup>14</sup> The Initiative – Farmland Scenario 2 will result in zero employees and 11 employed residents and Initiative – Residential Scenario 3 will generate zero employees and 125 employed residents. Finally, the Patterson Ranch Proposal Scenario 4 will generate 2,752 employees and 1,000 employed residents.

Development under the General Plan could potentially result in 2,239 more workers than employed residents (2,571 employees – 333 employed residents = 2,239). Therefore, under this scenario, the scenario would help ameliorate Fremont's jobs – housing imbalance. The impact is relatively minor, with a change of 0.94 jobs per employed resident to 0.96 jobs per employed resident. Under Initiative Farmland Scenario 2 and Initiative Farmland Scenario 3, the city's jobs per employed resident ratio will remain at 0.94.

The Patterson Ranch Proposal Scenario will generate 2,752 employees and 1,000 employed residents, resulting in the city gaining 1,762 more workers than employed residents. As with the current zoning scenario, the Patterson Ranch proposal would help to ameliorate the current jobs – housing imbalance. This scenario's impact on the overall jobs to employed residents ratio is nominal, adjusting the jobs – employed residents ratio from 0.94 to 0.96.

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<sup>14</sup> Assumes the Bay Area average of 1.25 employed residents per household.

**Table 26: Jobs/Housing Balance****Existing Jobs:Employed Residents Balance in Fremont and the Bay Area**

<b>Summary Variables</b>	<b>Fremont (a)</b>	<b>Bay Area (a)</b>
2006 Jobs	98,180	3,578,670
2006 Households	70,260	2,595,010
<b>Jobs/Housing Ratio</b>	<b>1.40</b>	<b>1.38</b>
Employed Residents	104,140	3,281,530
<b>Average Employed Residents/Household</b>	<b>1.48</b>	<b>1.26</b>
<b>Ratio of Jobs to Employed Residents</b>	<b>0.94</b>	<b>1.07</b>

**Projected Change in Fremont's Jobs: Employed Residents Balance**

<b>Development Alternatives</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Increase in Jobs and Employed Residents by Scenario</b>				
<b>Number of New Jobs</b>	<b>2,571</b>	<b>0</b>	<b>0</b>	<b>2,762</b>
Number of New Housing Units	266	9	100	800
Average Employed Residents/Household (a)	1.26	1.26	1.26	1.26
<b>Number of New Employed Residents</b>	<b>336</b>	<b>11</b>	<b>126</b>	<b>1,008</b>
<b>Change in Fremont's Jobs: Employed Residents Ratio</b>				
Total Employees	100,751	98,180	98,180	100,942
Total Employed Residents	104,476	104,151	104,266	105,148
<b>New Ratio of Jobs to Employed Residents</b>	<b>0.96</b>	<b>0.94</b>	<b>0.94</b>	<b>0.96</b>
<b>Jobs/Housing Ratio</b>	<b>1.43</b>	<b>1.40</b>	<b>1.40</b>	<b>1.42</b>

## Notes:

(a) City and Bay Area jobs, employed residents, and household totals are rounded to the nearest ten.

(b) New employed resident calculations are based on the Bay Area's ratio of 1.25 employed residents per household.

Sources: *Projections 2005*, Association of Bay Area Governments; City of Fremont General Plan, June 2003; City of Fremont Community Development Department, May 2006; Department of Finance, 2006; BAE, 2006.

## **G. EAST BAY REGIONAL PARK DISTRICT**

EBRPD manages a system of 65 regional parks, recreation areas, wildernesses, shorelines, preserves, land banks and 29 completed regional, inter-park trails within Alameda and Contra Costa Counties. Approximately 90% of the District's 96,135 acres of land is protected and operated as natural parklands. Park assets include over 1,100 miles of trails within the parklands; ten freshwater lake swim beaches and lagoons, two San Francisco bay beaches, 28 lake and bay fishing docks and piers; 238 family campsites and 32 group camp areas; and nine interpretive and education centers.

In Fremont's Ardenwood area EBRPD manages Ardenwood Historic Farm and Coyote Hills Regional Park, a regional park abutting the initiative project site. The Regional Park, on the southeast shore of the San Francisco Bay, encompasses 954 acres including the Coyote Hills, a small range of hills at the edge of the bay and a substantial area of wetlands. The hills though not high, provide panoramic views of the bay, three bridges (Dumbarton, San Mateo, and the Bay Bridge), the cities of San Francisco and Oakland, the Peninsula Range of the Santa Cruz Mountains and Mount Tamalpais. The park has a network of hiking trails, most of them also available to horse riders, and 3.5 miles (5.6km) of paved trails available to cyclists. These trails connect to others in the east bay, and the San Francisco Bay Trail passes through the park. The waters to the south and west of the park form part of the San Francisco Bay National Wildlife Refuge.

The EBRPD budget for the Coyote Hills is used to maintain park acreage, building and facilities within the park and run and administer programs at the regional park's interpretive center. Though the Initiative does not specifically identify the owner/maintainer of open space area, for purposes of this analysis it has also been assumed that in the Initiative Residential and Patterson Ranch Proposal Scenarios EBRPD would operate this area as an addition to the Coyote Hills and incur any capital costs necessary to operate the dedicated land.

The purpose of this analysis is to determine if the proposed development will create additional fiscal burdens on EBRPD. If project revenues for a given scenario exceed the full project costs to maintain new parkland it can be concluded that the scenario will not create an additional fiscal burden on EBRPD. How EBRPD will ultimately allocate the new revenues associated with a scenario is a EBRPD Board governmental decision.

The General Plan and Zoning and the Initiative Farmland Scenarios contain no open space dedicated to EBRPD. The Initiative Residential Scenario includes 420 acres and the Patterson Ranch Proposal Scenario includes 246 acres adjacent to the Coyote Hills dedicated to EBRPD.

### **1. EBRPD Expenditures**

Since the loss of property tax revenue to ERAF (after the State reduced local agency share of basic property taxes in the early 1990s), EBRPD staff reports that maintenance activities have lagged behind needs and that deferred maintenance has accrued. ERAF III, part of the State budget deal in 2004, reduced EBRPD property tax by an additional 10 percent including \$2.9 million in the 2006 Budget. Current budgets reflect deferred maintenance due to budget shortfalls caused by ERAF and generally costs outpacing revenue sources. Though the above costs may not completely reflect this deferred maintenance, the use of the average cost method is the most accurate way to estimate additional expenditures with out detailed study of additional effort and cost needed to maintain additional acreage at Coyote Hills.

BAE estimated maintenance costs for an expanded regional park based on the current 2006 EBRPD budget. Operations and maintenance costs at the regional park fall into three EBRPD units: the Public Safety Department and the Interpretive Services and the Interpretive Parklands Units of the Operating Division.

The Public Safety Department provides policing and fire safety protection to all EBRPD parks. The Public Safety Department's \$16 million 2006 budget serves all of EBRPD land, for an average cost of \$167.07 per acre. The Interpretive Services Unit covers the operation and programming of the Coyote Hills interpretive center. Expansion of the regional parks acreage is not expected to increase the need for staff at the interpretive center and therefore has no budgetary affect on the Interpretive Services Unit. The Coyote Hills Regional Park has a 2006 Interpretive Parklands Unit budget of \$607,283 serving 954 acres for an average cost of \$636.56 per acre. As shown on Table 27, an expansion of park acreage will increase the operations costs at Coyote Hills \$321,454 annually in the Initiative Residential Scenario. Operational costs are projected to increase \$197,694 in the Patterson Ranch Proposal Scenario.

## 2. EBRPD Revenue

The major source of funding for EBRPD is property tax; districtwide, EBRPD receives an average of \$0.0247 per \$100 of assessed value, or 2.47 percent of the base one percent real property tax. On the project site, the District receives approximately 3.3 percent of the one percent base property tax. Due to ERAF III, part of the state budget deal in 2004, EBRPD property tax share is reduced in 2006 by an additional four percent districtwide subtracting \$2.9 million from the 2006 Budget. Based on the post-ERAF EBRPD share of property taxes in Fremont, the development scenarios would generate property tax revenues ranging from \$6,354 to \$255,271 (see Table 27).

Additionally, EBRPD collects property tax above the one percent base tax rate to fund Measure AA Park Facility Bonds. Measure AA allows EBRPD to collect an average of \$0.0057 per \$100 of assessed value, or 0.57 percent above the base one percent real property tax. These funds are restricted to repaying debt service on EBRPD bonds issued to fund capital project. Measure AA bonds are fully subscribed, no bond monies would be available to fund capital projects for a Coyote Hills park expansion. The development scenarios analyzed would increase funding to the Measure AA debt service fund ranging from \$1,154 for the Initiative Farmland Scenario to \$46,370 for the Patterson Ranch Proposal Scenario. Additional revenue to these funds would give the district more certainty in repayment of Measure AA bonds and may contribute nominally to increasing the district's future bonding capacity and bond ratings.

Based on estimates of additional EBRPD property tax, the General Plan & Zoning and Initiative Farmland Scenarios would result respectively in new revenue to EBRPD of \$196,277 and \$6,354. Based on estimates of additional property tax and operating expenses of additional parkland, the Initiative Residential Scenario would result in net new costs of \$266,540 and Patterson Ranch Proposal Scenario result in new revenue to EBRPD of \$57,576.

### EBRPD Net Operating Revenue Summary

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Property Tax Revenue	\$196,277	\$6,354	\$54,914	\$255,271
New Expenditures	\$0	\$0	\$337,527	\$197,614
<b>Net Operating Revenue</b>	<b>\$196,277</b>	<b>\$6,354</b>	<b>(\$266,540)</b>	<b>\$57,576</b>

*See Table 27 for detailed analysis*

## 3. EBRPD Capital Expenditures

EBRPD has not had the opportunity to study needed capital expenditures for an expansion of Coyote Hills Regional Park. Typically EBRPD would conduct an acquisition analysis to evaluate improvements needed to accept a land dedication and expansion of actively used parkland. The acquisition evaluation would focus on improvements needed to bring new parkland to a "land bank" status allowing EBRPD to fence and secure new parkland. A very conservative estimate of land banking costs including all new

**Table 27: East Bay Regional Park District Revenues and Expenditures**

**Existing Budget and Assumptions**

**EBRPD 2006 General Fund Budget**

Coyote Hills	954 Acres		
All EBRPD Parks	96,135 Acres		
All EBRPD Trails	1,150 Miles	63.16	Linear trail feet per acre
Coyote Hills Paved Trails	3.53 Miles	19.54	Linear trail feet per acre
Coyote Hills Interpretive Center	\$647,422	\$678.64	Per Acre
Coyote Hills - Parkland Unit	\$607,283	\$636.56	Per Acre
EBRPD Public Safety	\$16,061,207	\$167.07	Per Acre

**Initiative Alternative Assumptions**

	<u>General Plan &amp; Zoning</u>	<u>Initiative Farmland</u>	<u>Initiative Residential</u>	<u>Patterson Ranch Proposal</u>
<i>Scenario Specific Assumptions</i>				
Land Dedicated to EBRPD (acres)	0	0	420	245.9
Perimeter - External	0	0	13,600	13,000
Perimeter abutting Park	0	0	11,000	9,500
Additional Assessed Value	\$619,875,000	\$20,250,000	\$175,000,000	\$813,503,000

*Tax Calculation Assumptions*

Total EBRPD Property Tax	\$72,498,500	from EBRPD 2006 Budget		
Property Tax Lost to ERAF III	\$2,900,000	from EBRPD 2006 Budget		
Share of Base Property Tax	3.263437%	of Assessed Value (from Alameda County Assessor-Controller)		
ERAF Adjusted Property Tax Share (a)	3.137918%	of Assessed Value		
Measure AA Bond	0.57%	of Assessed Value		

**Park Capital Expenditures**

Fencing - Chain Link	\$20	per linear foot
Fencing - Split Rail	\$85	per linear foot
Trails	\$5	per square foot

**Additional Revenues and Operating Costs**

	<u>General Plan &amp; Zoning</u>	<u>Initiative Farmland</u>	<u>Initiative Residential</u>	<u>Patterson Ranch Proposal</u>
<b>New General Fund Revenue</b>				
New Property Tax Revenue	\$194,512	\$6,354	\$54,914	\$255,271
Measure AA Bond	<u>\$35,333</u>	<u>\$1,154</u>	<u>\$9,975</u>	<u>\$46,370</u>
<b>Total New Revenue</b>	<b>\$229,845</b>	<b>\$7,509</b>	<b>\$64,889</b>	<b>\$301,640</b>
<b>New Expenditures</b>				
Coyote Hills Parkland Unit	\$0	\$0	\$267,357	\$156,531
EBRPD Public Safety	<u>\$0</u>	<u>\$0</u>	<u>\$70,169</u>	<u>\$41,083</u>
<b>Total New Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$337,527</b>	<b>\$197,614</b>
<b>Net EBRPD Operating Surplus/(Deficit) (b)</b>	<b>\$194,512</b>	<b>\$6,354</b>	<b>(\$282,613)</b>	<b>\$57,657</b>

**Capital Costs**

	<u>General Plan &amp; Zoning</u>	<u>Initiative Farmland</u>	<u>Initiative Residential</u>	<u>Patterson Ranch Proposal</u>
<b>Land Bank Expenditures</b>				
Rail Fence (External Perimeter)	\$0	\$0	\$1,156,000	\$1,105,000
Chain Link Fence (Park Perimeter)	<u>\$0</u>	<u>\$0</u>	<u>\$220,000</u>	<u>\$190,000</u>
<b>Land Bank Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,376,000</b>	<b>\$1,295,000</b>
<b>Potential Capital Expenditures</b>				
Trails	\$0	\$0	\$1,326,391	\$776,571
Staging Area	\$0	\$0	\$500,000	\$500,000
New Interpretive Center	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>
<b>Potential Capital Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,826,391</b>	<b>\$6,276,571</b>

Notes:

- (a) Estimated by adjusting the local property tax rate by the districtwide ERAF III tax loss.
- (b) Does not include restricted Measure AA revenue.

Sources: EBRPD Staff, EBRPD 2006 Budget; Bay Area Economics, 2006.

fencing, with EBRPD's signature split rail fence along the visible perimeter of the park along Paseo Padre, would range from \$1.3 to \$1.4 million.

Bringing new parkland into active use at Coyote Hills requires further study including potentially a master planning process for the regional park. However, from discussion with EBRPD staff future plans could include additional paved trails, a new staging area (to provide parking and restrooms in the new area of the park) and potentially a new interpretive center. The existing center is old and expensive to maintain and new parkland may call for reconfiguration of traffic flow and a new placement for the interpretive center. Assuming that new park acreage would have paved trails in the same proportion as the existing park (3.53 miles of paved trail serving 954 acres or approximately 63 linear trail feet per acre), new trail costs would range from approximately \$775,000 in the Patterson Ranch Scenario to \$1.26 million in the Initiative Residential Scenario. Based on projected costs for comparable project in the 2006 EBRPD Capital Improvement Plan, construction of a staging area would cost approximately \$500,000 and a new interpretive center would cost approximately \$5 million.

#### **EBRPD Potential Capital Needs**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Land Bank Costs	\$0	\$0	\$1,376,000	\$1,295,000
Potential Capital Costs	\$0	\$0	\$6,826,391	\$6,276,571
<b>Total Potential Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,202,391</b>	<b>\$7,571,571</b>

*See Table 27 for detailed analysis*

As shown on Table 27, potential capital costs estimates total \$8.2 million and \$7.6 million respectively for the Initiative Residential and Patterson Ranch Proposal Scenarios. It should be emphasized these are very preliminary capital cost estimates and include nothing for habitat restoration or other potential parkland projects. It should be noted that none of these capital projects has an identified funding source (though the Patterson Ranch Scenario shows a small annual surplus). If additional developer funding could not be secured, it is very likely that that any new park dedication in the Initiative Residential or Patterson Ranch Scenarios would result in these new lands in a land bank status for a substantial period, with no or minimal public access to new parkland and no new improvements or public use facilities.

## **H. FREMONT UNIFIED SCHOOL DISTRICT**

The Fremont Unified School District (FUSD) serves approximately 32,000 students living in Fremont and its environs. FUSD operates 41 schools including five traditional high schools, one continuation school (serving high school and junior high students), one adult school, five junior high schools, 28 elementary schools, and one preschool. FUSD has an annual General Fund budget of approximately \$225 million in fiscal year 2004-05.

This analysis focuses on the capital costs associated with the development scenarios. Capital cost impacts result primarily from costs of additional school facilities, related furnishing and equipment, and projected capital maintenance requirements. Projected facilities requirements are based on District facilities standards adopted in 1997 as a part of FUSD's *Long Range Facilities Master Plan 1997-2005*. Facilities standards are affected by State facilities and program standards, District program requirements (including student-teacher ratios), and changes in teaching methods, technologies, and health and safety considerations. FUSD is in the process of updating its *Long Range Facilities Master Plan 1997-2005*.

This analysis estimates the share of District capital costs that can be allocated to impacts created by each development scenario. However, it should be noted that cumulative impacts from the development scenarios in concert with other development in the District may require expenditures for non-incremental capacity expansion that is difficult to predict at this time. Fremont has recently increased conversions of nonresidential zoning to residential zoning, and also increased development density on many residentially-zoned parcels. The uncertain nature of infill development and other development in Fremont makes it difficult to predict the cumulative effect on school facilities needs based on past projections and generation rates. Accordingly, the District has recently commissioned an update to its demographic study of student generation and facilities needs. This study is still in preparation, and the updated information it will provide is needed to more accurately assess the future impact of proposed development, such as the scenarios envisioned for the Patterson Ranch property.

Under current District attendance area boundaries, the Patterson Ranch property is located in the American High School Attendance Area, and this analysis applies the current attendance area designation.

### **1. Student Generation**

In order to assess expected impacts from the development scenarios, BAE used student generation rates provided by FUSD to estimate the number of new students that are expected from the development scenarios. FUSD's student generation rates are based on current generation rates; however, a demographic study is currently being conducted, and these rates are subject to future adjustment. Actual generation rates will be dependent on housing types constructed, and are further sensitive to demographic timing considerations and other factors. The projected number of students are, therefore, estimates only. These estimated projections are based on complete build-out of the residential units permitted under the proposed scenario. As shown in Table 28, the scenarios would be expected to generate as few as eight new students, spread between various grade levels, in the Initiative Farmland Scenario, and as many as 634 new students, including a potential of 325 elementary students, under the Patterson Ranch Proposal Scenario.

#### **Elementary School**

Development under the General Plan & Zoning, Initiative Farmland, and Initiative Residential are expected to generate, respectively, 123, 4, and 46 elementary students. Under the Patterson Ranch Proposal Scenario, 325 new elementary students are projected.

Currently, elementary school capacity within the American High School Attendance Area is fully enrolled. There is no available capacity at the elementary school level in the American High School Attendance Area to accommodate new students without constructing additional school facilities. Recently, a 276-unit development (Villa D'este) adjacent to the Patterson Ranch property was approved. When considered together with elementary students from other new development (including the 276 units approved at Villa D'este at Ardenwood and Paseo Padre) and overflow from the North Fremont area elementary schools, it appears that construction and operation of a new elementary campus will likely be needed to house students generated by development of the Patterson Ranch property. However, school facilities impact fees from new development will not be sufficient to cover costs of a new elementary school. Additional funds from state sources, local bond



**Table 28: FUSD Student Generation Calculations**

**Development & Student Generation Assumptions**

Development Program	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
<i>Residential</i>				
Single-family units	266	100	9	557
Multi-family units	-	-	-	223
Loft Units	-	-	-	20
<b>Total Units</b>	<b>266</b>	<b>100</b>	<b>9</b>	<b>800</b>
<i>Commercial</i>				
Retail (Sq. Ft.)	-	-	-	40,000
R & D (Sq. Ft.)	900,000	-	-	900,000
<b>Total Commercial Sq. Ft.</b>	<b>900,000</b>	<b>-</b>	<b>-</b>	<b>940,000</b>

	Students Generated Per Unit			
Student Generation Rates	K-6	7-8	9-12	Total
Single-family units	0.463	0.145	0.294	0.902
Multi-family units (including loft units)	0.278	0.087	0.176	0.541

**Student Generation by Scenario**

General Plan & Zoning	K-6	7-8	9-12	Total
Single-family student generation	123	39	78	240
Multi-family student generation	-	-	-	-
Loft Units	-	-	-	-
<b>Total student generation</b>	<b>123</b>	<b>39</b>	<b>78</b>	<b>240</b>
Initiative Farmland	K-6	7-8	9-12	Total
Single-family student generation	4	1	3	8
Multi-family student generation	-	-	-	-
Loft Units	-	-	-	-
<b>Total student generation</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>8</b>
Initiative Residential	K-6	7-8	9-12	Total
Single-family student generation	46	15	29	90
Multi-family student generation	-	-	-	-
Loft Units	-	-	-	-
<b>Total student generation</b>	<b>46</b>	<b>15</b>	<b>29</b>	<b>90</b>
Patterson Ranch Proposal	K-6	7-8	9-12	Total
Single-family student generation	258	81	164	502
Multi-family student generation	62	19	39	121
Loft Units	6	2	4	11
<b>Total student generation</b>	<b>325</b>	<b>102</b>	<b>207</b>	<b>634</b>

Sources: Fremont Unified School District, *Bay Area Economics*, 2006.

funds, and/or other capital funds sources will be required to supplement developer fees unless other mitigation of facilities needs is provided by the land owner and/or developers.

Unless other mitigation measures are agreed upon, school facilities fees paid by the developer will be used to create additional capacity at existing District elementary schools to the extent that sites can sustain expansion. Four of the six elementary school sites in this attendance area cannot be expanded to any material degree due to site size or other site constraints. Depending upon the number of students generated in the resulting scenario, if sufficient funds to construct necessary school facilities are not available, or if school expansion is not possible at existing sites, the District may be required to consider other, less desirable means of accommodating the increases in student population, such as attendance area adjustments, changes in District programs, changes to student classroom loading, scheduling modifications, and other means to maintain student populations at school campuses within the capacity of core campus facilities and classroom capacities.

### **Junior High School and High School**

The four development scenarios generate from one to 102 junior high students and three to 207 high school students. The current junior high school assigned for this attendance area is Thornton Junior High School, and the assigned high school is American High School.

Both the Thornton Junior High School campus and the American High School campus are currently at full capacity. Very little room for expansion is available at these campuses. Even if additional classrooms and core facilities at these schools are added to the maximum extent of the site capacities, it currently appears unlikely that junior high school and high school students from the development of the Patterson Ranch property can be housed at these schools. If the number of students from the development cannot be accommodated at these schools, or if the necessary expansion is not feasible or recommended, the District may be required to resort to more difficult accommodations with wider-ranging effects such as assigning the students to other campuses, adjusting attendance area boundaries, modifying District programs, or changing school scheduling to year-round calendars to increase usable capacity.

### **Cumulative Growth**

If cumulative population growth throughout the District results in the continuing growth of student populations, it is possible that development of the property under any of the development scenarios except the Initiative Farmland Scenario will require non-incremental expansion of school capacities that cannot be accommodated at the existing school sites. Capital costs in such a situation may be greater than estimated in this analysis.

## **2. School Capital Costs**

Capital cost impacts result primarily from costs of additional school facilities, related furnishings and equipment, and projected capital maintenance requirements. Projected facilities requirements are based on District facilities standards adopted in 1997 as a part of FUSD's *Long Range Facilities Master Plan 1997-2005*. Facilities standards are affected by State standards and requirements, District program requirements (including student-teacher ratios), and changes in teaching methods, technologies, and health and safety considerations.

Considered in isolation, development of the Patterson Ranch property under any of the four development scenarios would not generate sufficient students to meet District minimum campus sizes to support the construction or operation of a new school. The FUSD *Long Range Facilities Master Plan 1997-2005* sets out site capacities for schools with the objective of avoiding smaller schools which are inefficient

to operate and larger schools which are more difficult to manage. The recommended range of capacities for school sites are: 1) Elementary Schools, 420-840; 2) Junior High Schools, 600-1200; 3) High Schools, 1200-2400.

For purposes of this analysis, BAE has assumed that the students generated by the development scenarios will create a capital impact as an allocated proportional share of a new elementary, junior high and high school. The FUSD facilities standard for elementary school sites is 10 acres. However, the conceptual plan for the Patterson Ranch Proposal currently identifies a new elementary school site of 8.6 acres, below this standard. Based on FUSD staff and consultant input, the parameters for these potential new schools were developed for purposes of this analysis. New facilities assumptions include: 1) a 600 student elementary school on 8.6 acres, 2) an 800 student junior high school on 20 acres; and 3) a 1500 student high school on 40 acres.

Based on student generation shown in Table 28, BAE has estimated the allocated capital costs of new elementary, junior high school and high school costs according to the percentage of facility capacity represented by students estimated in each development scenario. FUSD staff estimates the development and land costs for new elementary, junior high, and high schools to be, respectively, \$20.3 million, \$46.6 million and \$110 million assuming \$800,000 per acre for land acquisition costs. Construction of new school facilities may be eligible for State grant funds to defray part of the development costs. Based on FUSD staff experience, the proportion of funding that can be expected from State grants, if funds are available and if eligibility is determined, is shown on Table 29 for each school facility. Table 29 shows the allocated costs of new school facilities for each development scenario as well as estimates of the share potentially paid by State grants.

#### **Allocated School Capital Cost Summary**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Allocated Capital Costs	\$12,145,000	\$411,000	\$4,566,000	\$32,081,000
Allocated State Grant	(\$3,540,000)	(\$120,000)	(\$1,331,000)	(\$9,351,000)
Share of Allocated Costs	\$8,605,000	\$291,000	\$3,235,000	\$22,730,000

*See Table 29 for detailed analysis*

Additional facilities will carry capital maintenance and renovation costs. Currently, funding for capital maintenance and renovation is not fully covered by the State. Bond measures have been passed by the Fremont voters to cover identified projects for the renovation and long-term capital maintenance costs of existing facilities in the District. The costs of capital maintenance and renovation for any new facilities may require additional bond measures in the future. This analysis has not attempted to estimate potential maintenance and renovation costs associated with the development scenarios.

### **3. Developer Impact Fees and Land Donation**

FUSD has newly updated development impact fees, adopted in March 2006, that generate funds to build classrooms and other school facilities to serve students from new developments. These fees generate \$2.63 per residential square foot developed. In addition, FUSD receives \$0.42 per square foot for construction of new commercial space. Table 29 shows developer impact fees generated by each development scenario.

As part of the Patterson Ranch Proposal Scenario, dedication of an 8.6 acre elementary school site is assumed. Assuming that the site is sufficient in size and otherwise acceptable to FUSD as a location for a new elementary school, the school site will represent a significant contribution toward the capital costs of new facilities. Standard estimates of land costs for school development are approximately 25 percent of

construction costs. This assumption is published by the California Department of Education in providing an annual estimate of school construction costs.<sup>15</sup> However, land values in Fremont are significantly higher than the state average. Based on discussions with City and FUSD, BAE has used an estimate of \$800,000 per acre for the value of the assumed developer land donation.

Total sources of capital for school development from developer impact fees and land donation are shown on Table 29 and summarized below.

**Summary of Capital Funding Sources**

<b>Scenario</b>	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
Impact Fees	\$2,827,000	\$107,000	\$789,000	\$5,465,000
Land Donation	\$0	\$0	\$0	\$6,880,000
Total Funding	\$2,827,000	\$107,000	\$789,000	\$12,345,000

*See Table 29 for detailed analysis*

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<sup>15</sup> California Department of Education. "Basic Construction Data." *Fact Book 2005: Handbook of Education Information*.

**Table 29: FUSD Initiative-Related Capital Costs**
**Assumptions**

<b>Land Costs</b>	\$800,000 per acre			Source/Comment: FUSD Staff
<b>Development Costs</b>	<b>Elementary</b>	<b>Jr. High</b>	<b>High School</b>	
Development Costs (Hard & Soft Costs)	\$13,400,000	\$30,600,000	\$78,000,000	FUSD Staff
Land Cost	\$6,880,000	\$16,000,000	\$32,000,000	See above
Total Cost (Including Land)	<b>\$20,280,000</b>	<b>\$46,600,000</b>	<b>\$110,000,000</b>	
Expected State Grant (% of total cost)	38.7%	25.6%	23.6%	FUSD Staff
School Site Size	8.6	20	40	8.6 acre school site in the Patterson Ranch Proposal is smaller than
School Capacity	600	800	1,500	FUSD standards.

**Capital Costs (Uses)**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>	Source/Comment:
<b>Elementary School</b>					
Development Costs Net of Land	\$20,280,000	\$20,280,000	\$20,280,000	\$20,280,000	
Project Share of Capacity	20.5%	0.7%	7.7%	54.2%	
<b>Allocated Cost</b>	<b>\$4,162,740</b>	<b>\$140,845</b>	<b>\$1,564,940</b>	<b>\$11,000,041</b>	
<b>Jr. High</b>					
Total Development Cost	\$46,600,000	\$46,600,000	\$46,600,000	\$46,600,000	
Project Share of Capacity	4.8%	0.2%	1.8%	12.7%	
<b>Allocated Cost</b>	<b>\$2,247,000</b>	<b>\$76,000</b>	<b>\$844,625</b>	<b>\$5,936,025</b>	
<b>High School</b>					
Development Costs	\$110,000,000	\$110,000,000	\$110,000,000	\$110,000,000	
Project Share of Capacity	5.2%	0.2%	2.0%	13.8%	
<b>Allocated Cost</b>	<b>\$5,734,960</b>	<b>\$194,040</b>	<b>\$2,156,000</b>	<b>\$15,145,240</b>	
<b>Development Costs Incurred by District</b>					
<b>Total Development Costs</b>	<b>\$176,880,000</b>	<b>\$176,880,000</b>	<b>\$176,880,000</b>	<b>\$176,880,000</b>	
Less Expected State Grant	<del>(\$45,738,000)</del>	<del>(\$45,738,000)</del>	<del>(\$45,738,000)</del>	<del>(\$45,738,000)</del>	From FUSD
<b>Expected Total Cost to District</b>	<b>\$131,142,000</b>	<b>\$131,142,000</b>	<b>\$131,142,000</b>	<b>\$131,142,000</b>	
<b>Development Costs Attributable to New Development</b>					
<b>Total Allocated Development Costs</b>	<b>\$12,145,000</b>	<b>\$411,000</b>	<b>\$4,566,000</b>	<b>\$32,081,000</b>	
Less Allocated Share of State Grant	<del>(\$3,540,000)</del>	<del>(\$120,000)</del>	<del>(\$1,331,000)</del>	<del>(\$9,351,000)</del>	From FUSD
<b>Expected Share of Allocated Costs</b>	<b>\$8,605,000</b>	<b>\$291,000</b>	<b>\$3,235,000</b>	<b>\$22,730,000</b>	

**Revenue (Sources)**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>	Source/Comment:
<b>School Impact Fee</b>					
Single-Family Units	266	9	100	557	
Single-Family Fee Per Unit	\$2.63	\$2.63	\$2.63	\$2.63	
Single-Family Units Average Size (Sq. Ft.)	3,500	4,500	3,000	2,850	
<i>Single-family Subtotal</i>	<i>\$2,449,000</i>	<i>\$107,000</i>	<i>\$789,000</i>	<i>\$4,175,000</i>	
Multifamily Units	-	-	-	243	
Multifamily Units Average Size (Sq. Ft.)	n/a	n/a	n/a	1,400	
Multifamily Fee Per Unit	n/a	n/a	n/a	\$2.63	
<i>Multifamily Subtotal</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$895,000</i>	
Commercial (Sq. Ft.)	900,000	-	-	940,000	
Fee Per Sq. Ft.	\$0.42	\$0.42	\$0.42	\$0.42	
<i>Commercial Subtotal</i>	<i>\$378,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$395,000</i>	
<b>Total Impact Fee</b>	<b>\$2,827,000</b>	<b>\$107,000</b>	<b>\$789,000</b>	<b>\$5,465,000</b>	
<b>Donation of Land</b>					
Elementary School Site	\$0	\$0	\$0	\$6,880,000	Scenario 4 assumes donation of elementary site.
<b>Total Value of Land</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,880,000</b>	
<b>Total Sources for Capital Projects</b>	<b>\$2,827,000</b>	<b>\$107,000</b>	<b>\$789,000</b>	<b>\$12,345,000</b>	

**Impacts of Development Scenarios**

	<b>General Plan &amp; Zoning</b>	<b>Initiative Farmland</b>	<b>Initiative Residential</b>	<b>Patterson Ranch Proposal</b>
<b>Impact without State Funds</b>				
New Sources for Capital Projects	\$2,827,000	\$107,000	\$789,000	\$12,345,000
Less Allocated Share of Capital Costs	<del>(\$12,145,000)</del>	<del>(\$411,000)</del>	<del>(\$4,566,000)</del>	<del>(\$32,081,000)</del>
<b>Net Impact without State Funds</b>	<b><del>(\$9,318,000)</del></b>	<b><del>(\$304,000)</del></b>	<b><del>(\$3,777,000)</del></b>	<b><del>(\$19,736,000)</del></b>
<b>Impact with State Funds</b>				
New Sources for Capital Projects	\$2,827,000	\$107,000	\$789,000	\$12,345,000
Less Allocated Share of Capital Costs	<del>(\$8,605,000)</del>	<del>(\$291,000)</del>	<del>(\$3,235,000)</del>	<del>(\$22,730,000)</del>
<b>Net Impact with State Funds</b>	<b><del>(\$5,778,000)</del></b>	<b><del>(\$184,000)</del></b>	<b><del>(\$2,446,000)</del></b>	<b><del>(\$10,385,000)</del></b>

Sources: Fremont Unified School District; BAE, 2006.

#### 4. Summary of Net Impact to FUSD Capital Facilities

Looking at overall impacts to FUSD capital facilities planning, the development scenarios all show a shortfall in capital funding. The General Plan & Zoning Scenario shows a net capital impact to FUSD of approximately \$5.8 million. The Initiative Scenarios generate an allocated shortfall for the Farmland and Residential Scenarios of, respectively, \$184,000 and \$2.4 million. The Patterson Ranch Proposal Scenario shows a shortfall of almost \$10.4 million. As noted above, it is never certain that State funding will be available for capital projects. If State grant funding is not available, the shortfall deepens for all development scenarios.

##### Summary of Capital Facility Impacts

Scenario	General Plan & Zoning	Initiative Farmland	Initiative Residential	Patterson Ranch Proposal
Funding Sources	\$2,827,000	\$107,000	\$789,000	\$12,345,000
Allocated Costs	(\$8,605,000)	(\$291,000)	(\$3,235,000)	(\$22,730,000)
FUSD Capital Impact	(\$5,778,000)	(\$184,000)	(\$2,446,000)	(\$10,385,000)

*See Table 29 for detailed analysis*

In a “best case” outcome, the Patterson Ranch Scenario would include the donation of a turn-key elementary school, receipt of State grants, and payment to the District of all developer impact fees. Such “best case” outcome results in a capital surplus of up to \$3 million. It should be noted that a “turn key” elementary school is not used as a baseline assumption for this analysis of the Patterson Ranch Scenario, but is described in the scenario’s conceptual project description. In a “worst-case” outcome, assuming payment of only developer impact fees, no State grants, and no contribution of a school site or turn-key school, the impact to the District is an approximately \$16,616,000 shortfall to provide school facilities for projected students from the Patterson Ranch Scenario.

## **I. BUSINESS RETENTION AND ATTRACTION**

BAE has analyzed the development scenarios impacts on business retention and attraction including land uses that support business and overall fiscal and capital impacts to the City of Fremont.

### **Ardenwood Biotechnology Cluster**

The Bay Area is attractive to the biotechnology industry because of its unique resources including research institutions, highly trained biotech workforce, international connections, support for new and emerging businesses, and access to venture capital. The City of Fremont has developed a strong life science business base comprised of approximately 40 firms, most in the Ardenwood area, using its regional advantages as well as the availability of development sites and streamlined permitting for new and expanding businesses. The City of Fremont has made pursuit of a life science cluster a major economic development initiative. In April 2006, the City of Fremont Office of Economic Development received an Award of Merit from the California Association for Local Economic Development for the City's Biotech Recruitment and Retention Strategy. The strategy serves as an innovative solution to allow the City access to the burgeoning market of biotech and life sciences.

Life sciences firms are often owned by large international "Big Pharma" firms but operated as independent units. Life sciences uses in Ardenwood include headquarters of these units, research & development facilities, and pilot manufacturing sites. There are several small to medium size life sciences companies (or independent units) headquarter in Ardenwood each leasing 100,000 to 300,000 square feet. Its low cost (vis-à-vis the South Bay), proximity to I-880 and the Dumbarton Bridge and the ability to expand facilities in Ardenwood (due to available buildings and land) have been key drivers of the growth of the cluster.

The Ardenwood Corporate Park is the location of most biotechnology firms in Fremont. This business park has approximately 235 acres of land, including 172 developed acres with approximately 2.5 million square feet. Approximately 1.6 million square feet was built out in the late 1980s as warehouse and industrial space. Since the late 1990s the business park has seen development and conversions of existing buildings to office and R&D uses. The business park has approximately 63 vacant acres with no single vacant development site over 20 to 25 acres.

The biotechnology cluster was recently strengthened by the acquisition of Sun Microsystems' 1.4 million square foot campus in adjacent Newark by BioMed Realty Trust (BMR). BMR already owns property in Ardenwood, retrofitting existing buildings for life science uses. This announcement makes Newark a viable competitive location for life science companies. Currently Newark only has one life science firm.

Though life science users require excellent utilities and ideally clear height of 17 to 18 feet, BMR has been successful retrofitting buildings such as the Sun campus with 13 foot to 15 ½ foot ceiling heights. The Sun Campus also has entitlements for an additional 400,000 of office/ R&D development. BMR has indicated its intention to market the campus to life science users. Locally active brokers believe BMR can lease up the facility within 24 months.

Though the Sun Campus is a positive addition to the life science cluster, it indicates that Fremont has competition locally for biotechnology jobs. To remain competitive, Fremont must continue to offer the advantages sought by these firms including the availability of development sites and streamlined permitting for new and expanding businesses.

### **Scenario 1: General Plan & Zoning**

This scenario allows residential and agricultural uses on the Patterson Ranch property and restricted industrial uses (including office and R&D uses) on the Cargill Salt property. Based on estimates from the owners of the Cargill Salt property, this scenario would add approximately 45 developable acres to the Ardenwood Business Park area with a total development potential of 900,000 square feet. The availability of a contiguous 45 acre development site may allow Fremont to attract a campus user in life sciences or even a high tech company willing to “cross the bridge” for a campus opportunity. Regardless of the campus opportunity, 45 acres or 900,000 square feet of development adds significantly to the inventory of available development sites to the Ardenwood area. This represents an approximately 20 percent increase in the total land area of the business park and 35 percent increase over the existing developed square footage. This will aid the City in pursuing expansion of the biotech cluster.

Scenario 1 has positive fiscal and capital funding impacts, posing no burdens to the City that could affect the ability of the City to provide services to the business or development community.

### **Scenario 2: Initiative Farmland**

This scenario allows agricultural and related residential uses on the Patterson Ranch property and only open space uses on the Cargill Salt property. This scenario will limit the expansion of the Ardenwood cluster and result in greater competition from Newark for life science jobs.

Scenario 2 has a small positive fiscal impact, but will cause a shortfall in citywide capital facility funding of approximately \$1.6 million to \$1.9 million. This will create further pressure on municipal finances and services and may affect the City’s ability to provide services to the business or development community.

### **Scenario 3: Initiative Residential**

This scenario allows agricultural and residential uses on the Patterson Ranch property and only open space uses on the Cargill Salt property, requiring the donation of the land to EBRPD. As in Scenario 2, this scenario will limit the expansion of the Ardenwood cluster and result in greater competition from Newark for life science users.

Scenario 2 has small but positive fiscal and capital funding impacts, posing no burdens to the City that could affect the ability of the City to provide services to the business or development community.

### **Scenario 4: Patterson Ranch Proposal**

This scenario allows residential, commercial, open space and park uses on the Patterson Ranch property and restricted industrial uses (including office and R&D uses) on the Cargill Salt property. As in Scenario 1, this scenario would add approximately 45 developable acres and 900,000 square feet to the Ardenwood area. The availability of a large site may allow Fremont to attract a “campus” user and would add significantly to the inventory of available development sites to the Ardenwood area.

Scenario 4 has positive fiscal and capital funding impacts, posing no burdens to the City that could affect the ability of the City to provide services to the business or development community.



## APPENDICES

## APPENDIX A: FREMONT SERVICE POPULATION ASSUMPTIONS

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**Appendix A: Fremont Service Population, Household Density, and Employment Assumptions**

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	<b>2006</b>	<b>Source</b>
Residents (DOF)	210,158	DOF
Employees (ABAG) (a)	98,179	ABAG
Service Population (b)	259,247	DOF
Households (DOF)	70,261	ABAG
Average Household Size (DOF)	2.97	DOF

**Household Density Assumptions (Persons Per Unit)**

Single-Family Low Density	3.17	Fremont General Plan
Single-Family Medium Density	3.17	Fremont General Plan
Townhomes	3.17	Fremont General Plan
Multifamily	3.17	Fremont General Plan

**Employment Density Assumptions (Jobs per Acre)**

Commercial - Neighborhood Retail	26	Fremont General Plan
Industrial - Limited	35	Fremont General Plan

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**Notes:**

(a) The Association of Bay Area Governments Projections 2005 provides job estimates by city for 2005 and projections thereafter. The jobs estimates are based on projected annual job growth of 1.7 percent per year and 2005 estimates.

(b) The service population is sum of all Fremont residents plus one-half of total employment in 2006.

Sources: City of Fremont General Plan, City of Fremont, June, 2003; City of Fremont Community Development Department, City of Fremont, 2006; Projections 2005, ABAG, 2005; Department of Finance, 2006; BAE, 2006.

## APPENDIX B: HOME PRICE APPRECIATION VERSUS INFLATION

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**Appendix B: Bay Area Home Price Appreciation Versus Inflation, 1981-2005**


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Year	Oakland-Fremont-Hayward	Year	SF-OAK-SJ
	Index		CPI
1981	53.5	1981	90.8
1982	55.0	1982	97.6
1983	56.1	1983	98.4
1984	57.5	1984	104.0
1985	61.0	1985	108.4
1986	64.8	1986	111.6
1987	70.7	1987	115.4
1988	78.2	1988	120.5
1989	92.7	1989	126.4
1990	110.0	1990	132.1
1991	108.3	1991	137.9
1992	107.9	1992	142.5
1993	106.0	1993	146.3
1994	104.2	1994	148.7
1995	100.0	1995	151.6
1996	101.6	1996	155.1
1997	101.8	1997	160.4
1998	110.7	1998	165.5
1999	121.7	1999	172.5
2000	143.1	2000	180.2
2001	173.3	2001	189.9
2002	186.0	2002	193.0
2003	203.2	2003	196.4
2004	219.6	2004	198.8
2005	270.8	2005	202.7
<b>Annual Increase</b>			3.4%
<b>Above Bay Area CPI</b>			3.6%

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**Notes:**

(a) The House Price Index measures changes in the value of single-family homes by tracking transactions involving conforming, conventional mortgages purchased or securitized by Fannie Mae or Freddie Mac.

Source: Office of Federal Housing Enterprise Oversight, Bureau of Labor Statistics, Bay Area Economics, 2005.

## APPENDIX C : MARKET FOR-SALE COMPARABLES

## Appendix C Table 1: Townhouses and Condos

### PROJECT NAME

### Builder

<i>Floorplan</i>	<i>Sales Dates</i>	<i>Total Units/ Units Sold</i>	<i>Minimum Lot Size</i>	<i>Unit Type</i>	<i>Sales Price</i>	<i>Finished Sq. Ft.</i>	<i>Price Per Sq. Ft.</i>
<b>Fremont</b>							
TERRACE HOMES	5/1/2004	25/24	N/A	Flat	\$509,000-\$559,888	1,114-1,203	\$423.11-\$471.68
Robson Homes							
<i>Plan 1</i>		8		2 BR /2 BA	\$559,888	1,187	\$471.68
<i>Plan 2</i>		8		2 BR /2 BA	\$525,000	1,114	\$471.27
<i>Plan 3</i>		8		2 BR /2 BA	\$509,000	1,203	\$423.11
<b>ALTA MAR VILLAS</b>	11/19/2005	135/42	N/A	Flat	\$349,000-\$524,000	580-940	\$557.45-\$625.35
Pacifica Companies							
<i>Avalon</i>		15		1 BR/1 BA	\$349,000	580	\$601.72
<i>Balbon</i>		15		2 BR/2 BA	\$444,000	710	\$625.35
<i>Catalina</i>		12		3 BR/3 BA	\$524,000	940	\$557.45
<b>SEQUOIA CROSSING</b>	6/30/2005	60/54	1,132	Two-Story	\$649,900-\$709,900	1,519-1,864	\$380.85-\$427.85
Castle Companies							
<i>Centerville St</i>		27		3 BR/2.5 BA	\$649,900	1,519	\$427.85
<i>Washington Twp</i>		27		3 BR/2.5 BA	\$709,900	1,864	\$380.85
<b>CAPISTRANO AT FREMONT</b>	6/5/2006	54/52	N/A	Two & Three-Story	\$660,950-\$765,950	1,290-1,533	\$499.64-\$518.31
Lennar Homes							
<i>Residence One (Three-Story)</i>		16		2 BR/2.5 BA	\$660,950	1,290	\$512.36
<i>Residence Two (Two-Story)</i>		19		3 BR/2.5 BA	\$762,950	1,472	\$518.31
<i>Residence Three (Three-Story)</i>		17		3 BR/2.5 BA	\$765,950	1,533	\$499.64
<b>PASEO HOMES</b>	5/01/04 & 11/01/04	81/81	N/A	Two-Story	\$543,000-\$699,000	1,112-1,584	\$441.29-\$488.31
Robson Homes							
<i>Plan 1</i>		28		2 BR/2 BA	\$543,000	1,112	\$488.31
<i>Plan 2</i>		26		3 BR/2.5 BA	\$664,000	1,399	\$474.62
<i>Plan 3</i>		27		3 BR/2.5 BA	\$699,000	1,584	\$441.29
<b>PARK HOMES</b>	5/01/04 & 11/01/04	49/44	N/A	Two-Story	\$648,888-\$688,888	1,670-1,801	\$388.56-\$382.50
Robson Homes							
<i>Plan 1</i>		22		3 BR/2.5 BA	\$648,888	1,670	\$388.56
<i>Plan 2</i>		22		3 BR/2.5 BA	\$688,888	1,801	\$382.50

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**Appendix C Table 1: Townhouses and Condos**


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**PROJECT NAME**
**Builder**

<i>Floorplan</i>	<i>Sales Dates</i>	<i>Total Units/ Units Sold</i>	<i>Minimum Lot Size</i>	<i>Unit Type</i>	<i>Sales Price</i>	<i>Finished Sq. Ft.</i>	<i>Price Per Sq. Ft.</i>
<b>Fremont (Continued)</b>							
GARDEN HOMES	5/01/04 & 5/01/05	39/38	N/A	Two-Story	\$822,517-\$895,600	1,816-2,010	\$429.74-\$461.94
Robson Homes							
<i>Plan 1</i>		13		3 BR/2.5 BA	\$838,888	1,816	\$461.94
<i>Plan 2</i>		13		4 BR/2.5 BA	\$822,517	1,914	\$429.74
<i>Plan 3</i>		12		4 BR/2/5 BA	\$895,600	2,010	\$445.57
ABBEY TERRACE	9/1/2005	64/52	N/A	Flat	\$ 325,000-\$410,000	674-823	\$481.28-\$498.18
Innovative Reality Services							
<i>Redlard</i>		18		1 BR/1 BA	\$325,000	674	\$482.20
<i>Star Magnolia</i>		17		2 BR/1 BA	\$360,000	748	\$481.28
<i>Sugar Maple</i>		17		2 BR/2 BA	\$410,000	823	\$498.18
<b>Union City</b>							
PACIFIC TERRACE	2/15/06 & 6/01/06	216/52	N/A	Two-Story	\$522,000-\$636,000	1,203-1,675	\$379.70-\$433.92
KB Homes							
<i>The Anderson</i>		16		2 BR/2.5 BA	\$522,000	1,203	\$433.92
<i>The Benedict</i>		18		3 BR/2.5 BA	\$578,000	1,431	\$403.91
<i>The Courtney</i>		18		3 BR/2.5 BA	\$636,000	1,675	\$379.70
<b>Totals/Averages</b>		<b>439</b>			<b>\$610,484</b>	<b>1,362</b>	<b>\$461.52</b>

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Sources: Meyers Group; BAE, 2006.



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**Appendix C Table 2: Single Family (4,000 - 7,000 Square Foot Lots)**


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PROJECT NAME Builder		Total Units/Units Sold	Minimum Lot Size	Unit Type	Sales Price	Latest Sale Price	Finished Sq. Ft. Range	Price Per Sq. Ft. Range
<i>Floorplan</i>	<i>Sales Dates</i>							
<b>Union City</b>								
PACIFIC POINTE	11/19/2004 & 12/07/04	119/119	4,500	Ranch & Two-Story	\$903,000 - \$1,188,000		2,253-3,655	\$274.15-\$411.01
KB Homes								
<i>Plan 1 (Two-Story)</i>		28		3 BR /2 + 1/2 BA	\$926,000	N/A	2,253	\$411.01
<i>Plan 2 (Ranch)</i>		10		3 BR + Den /2 BA	\$905,000	N/A	2,325	\$389.25
<i>Plan 3 ( Two-Story)</i>		28		3 BR + Den /2 + 1/2 BA	\$903,000	N/A	2,472	\$365.29
<i>Plan 4 (Two-Story)</i>		27		4 BR + Den /2 + 1/2 BA	\$903,000	N/A	2,592	\$348.38
<i>Plan 5 (Two-Story)</i>		10		3 BR + Den/2+1/2 BA	\$1,188,000	N/A	3,163	\$375.59
<i>Plan 6 (Two-Story)</i>		9		4 BR/2 + 1/2 BA	\$987,000	N/A	3,308	\$298.37
<i>Plan 7 (Two-Story)</i>		7		5 BR + Den/2 + 1/2 BA	\$1,002,000	N/A	3,655	\$274.15
<b>TRADITIONS AT TALAVERA</b>								
3/11/2006 & 7/15/06		124/15	4,500	Two-Story	\$1,040,000-\$1,102,000		2,742-3,367	\$327.29-\$379.29
Summerhill Homes								
<i>The Gorham</i>		2		4 BR/3 BA	\$1,040,000	\$1,040,000	2,742	\$379.29
<i>The Dresden</i>		4		5 BR/4 BA	\$1,054,000	\$1,054,000	2,967	\$355.24
<i>The Wedgwood</i>		5		5 BR/4 BA	\$1,076,500	\$1,076,500	3,147	\$342.07
<i>The Haviland</i>		4		4 BR + Den/4 BA	\$1,102,000	\$1,102,000	3,367	\$327.29
<b>Fremont</b>								
VILLA SAVONA	10/29/05 & 1/01/06	26/26	6,010	Two-Story	\$1,490,000-\$1,682,535		3,545-3,889	\$420.31-\$439.29
Summerhill Homes								
<i>The Merlot</i>		9		4 BR/4 + 1/2 BA	\$1,490,000	\$1,490,000	3,545	\$420.31
<i>The Zinfandel</i>		9		4 BR/3 + 1/2 BA	\$1,638,974	\$1,638,974	3,731	\$439.29
<i>The Chardonnay</i>		8		4 BR + Den/3 + 1/2 BA	\$1,682,535	\$1,682,535	3,889	\$432.64
<b>Totals/Averages</b>		<b>160</b>			<b>\$1,063,297</b>		<b>2,848</b>	<b>\$373.70</b>

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Sources: Meyers Group; BAE, 2006.

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**Appendix C Table 3: Large Lots**


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**PROJECT NAME**

Builder		Total Units/Units Sold	Minimum Lot Size	Unit Type	Minimum Price Range	Finished Sq. Ft. Range	Price Per Sq. Ft. Range
<i>Floorplan</i>	<i>Sales Dates</i>						
<b>Hayward</b>							
GARIN CREST		19/12	12,800	Ranch & Two-Story	\$1,759,455-\$1,995,950	4,113-4,385	\$422.11-\$466.56
Discovery Homes							
<i>Residence 3 (Two-Story)</i>		2		4 BR/4.5 BA	\$1,759,455	4,113	\$427.78
<i>Residence 2 (Two-Story)</i>		5		5 BR/4.5 BA	\$1,995,950	4,278	\$466.56
<i>Residence 1 (Ranch)</i>		5		4 BR/4.5 BA	\$1,850,950	4,385	\$422.11
<b>Pleasanton</b>							
BORDEAUX COUNTRY ESTATES 3/19/2005		17/11	10,000	Ranch & Two-Story	\$1,799,955-\$2,199,950	3,871-4,984	\$434.67-\$490.82
Greenbriar Homes							
<i>D'Arbieu (Ranch)</i>		2		5 BR/4 BA	\$1,899,950	3,871	\$490.82
<i>La Tour (Two-Story)</i>		3		4 BR/4 BA	\$1,799,955	4,141	\$434.67
<i>Margeaux (Two-Story)</i>		3		5 BR/4.5 BA	\$1,844,955	4,183	\$441.06
<i>D'Arbieu X (Ranch)</i>		0		6 BR/5 BA	\$2,049,950	4,480	\$457.58
<i>Haut Brion (Two-Story)</i>		3		6 BR/5.5 BA	\$2,199,950	4,984	\$441.40
PHEASANT RIDGE		119/106	12,000	Ranch & Two-Story	\$1,799,950-\$1,809,950	3,992-5,330	\$339.58-\$450.89
Greenbriar Homes							
<i>Arroyo Canyon (Ranch)</i>		30		5 BR/4 BA	\$1,799,950	3,992	\$450.89
<i>Wildwood Heights (Two-Story)</i>		28		5 BR/4.5 BA	\$1,799,950	4,791	\$375.69
<i>Augustin Knoll (Two-Story)</i>		22		6 BR/6 BA	\$1,799,950	5,095	\$353.28
<i>Pheasant Ridge (Two-Story)</i>		26		5 BR/5.5 BA	\$1,809,950	5,330	\$339.58
SYCAMORE HEIGHTS		48/47	8,000	Ranch & Two-Story	\$1,799,000-\$2,130,000	3,201-4,959	\$410.66-\$562.01
Summerhill Homes							
<i>Waterford (Ranch)</i>		7		4 BR/2.5 BA	\$1,799,000	3,201	\$562.01
<i>Saint Moritz (Two-Story)</i>		14		5 BR/4.5 BA	\$1,795,000	3,934	\$456.28
<i>Sorrento (Two-Story)</i>		13		5 BR/5.5 BA	\$1,765,000	4,298	\$410.66
<i>Castellano (Two-Story)</i>		13		4 BR/5.5 BA	\$2,130,000	4,959	\$429.52
<b>San Jose</b>							
CARRERA COURT	9/1/2005	12/7	6,500	Two-Story	\$1,665,000-\$1,840,000	4,063-4,830	\$380.95-\$421.31
Citation Homes							
<i>Alpine</i>		3		5 BR/4 BA	\$1,665,000	4,063	\$409.80
<i>Bavarian</i>		1		5 BR/4.5 BA	\$1,815,000	4,308	\$421.31
<i>Dresden</i>		2		6 + Den/4.5 BA	\$1,829,000	4,620	\$395.89
<i>Saxony</i>		1		6 BR/4.5 BA	\$1,840,000	4,830	\$380.95

**Appendix C Table 3: Large Lots**

PROJECT NAME							
Builder							
<i>Floorplan</i>	<i>Sales Dates</i>	<i>Total Units/Units Sold</i>	<i>Minimum Lot Size</i>	<i>Unit Type</i>	<i>Minimum Price Range</i>	<i>Finished Sq. Ft. Range</i>	<i>Price Per Sq. Ft. Range</i>
<b>San Jose (Continued)</b>							
HACIENDA		37/37	12,458	Two-Story	\$2,223,000-\$1,820,000	4,493-5,859	\$379.42-\$421.77
William Lyon Homes							
Estate 3		13		6 BR + Den/4.5 BA	\$1,895,000	4,493	\$421.77
Estate 2		11		5 BR + Den/4.5 BA	\$1,820,000	4,500	\$404.44
Estate 4		13		6 BR + Den/5.5 BA	\$2,223,000	5,859	\$379.42
<b>Morgan Hill</b>							
ALICANTE	4/9/05 & 6/20/06	105/36	12,846	Ranch	\$1,665,000-\$1,520,000	3,349-4,858	\$342.73-\$429.38
Dividend Homes							
<i>Plan 3</i>		12		4 + Den/3.5 BA	\$1,438,000	3,349	\$429.38
<i>Plan 4</i>		7		4 + Den/3.5 BA	\$1,500,000	3,870	\$387.60
<i>Plan 5</i>		10		4 + Den/3.5 BA	\$1,520,000	4,059	\$374.48
<i>Plan 6</i>		7		4 + Den/3.5 BA	\$1,665,000	4,858	\$342.73
TUSCANY	11/1/2005	15/2	13,000	Ranch & Two-Story	\$1,400,000-\$1,800,000	3,565-5,028	\$358-\$392.71
Pan-Cal							
<i>Arezzo (Ranch)</i>		0		4 BR/3 BA	\$1,400,000	3,565	\$392.71
<i>Burano (Two-Story)</i>		0		4 BR + Den/3 BA	\$1,578,000	4,208	\$375.00
<i>Carrara (Two-Story)</i>		1		4 BR + Den/3 BA	\$1,645,000	4,567	\$360.19
<i>Villa Farnese (Two-Story)</i>		1		5 BR + Den/4 BA	\$1,800,000	5,028	\$358.00
<b>Totals/Averages</b>		<b>258</b>			<b>\$1,811,700</b>	<b>4,526</b>	<b>\$405.19</b>

Sources: Meyers Group; BAE, 2006.

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**Appendix C Table 4: Fremont, Newark, Union City Retail Property Sales**

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<u>Address</u>	<u>City</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>Bldg. Sq. Ft.</u>	<u>Sale Price</u>	<u>\$/Sq. Ft.</u>	<u>Cap Rate</u>
3795-5789 Mowry Avenue Circuit City Plaza	Newark	Nov-05	1968	144,903	\$22,000,000	\$152	NA
5950-6016 Stevenson Boulevard	Fremont	Sep-05	19,601,987	386,412	\$30,000,000	\$78	NA
44615-46651 Mission Boulevard Warm Springs Plaza	Fremont	Mar-05	1985	121,514	\$40,468,575	\$333	6.23%
40910-40932 Fremont Boulevard	Fremont	Jan-05	1956, 1992	34,011	\$5,510,000	\$162	8.53%
<b>Median</b>						<b>\$157</b>	<b>7.38%</b>
<b>Average</b>						<b>\$181</b>	<b>7.38%</b>

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Source: Costar ecomps; BAE, 2006.

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**Appendix C Table 5: Fremont, Newark, Union City Commercial Property Sales**

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<u>Address</u>	<u>City</u>	<u>Sale Date</u>	<u>Year Built</u>	<u>Bldg. Sq. Ft.</u>	<u>Sale Price</u>	<u>\$/Sq. Ft.</u>	<u>Cap Rate</u>
39800 Eureka Drive Stevenson Point Technology Park	Newark	Feb-06	2001	106,690	\$47,500,000	\$445	NA
33258 Central Avenue Central Business Park	Union City	Sep-05	2004	24,053	\$3,007,000	\$125	NA
3400-3550 Warren Avenue Bayside Technology Park	Fremont	Sep-05	1985-2004	1,023,709	\$128,000,000	\$125	NA
6500 Kaiser Drive Ardenwood Commons	Fremont	Aug-05	1991	87,953	\$9,500,000	\$108	NA
200 Brown Road Warm Springs Professional Center	Fremont	Aug-05	1985	77,536	\$4,250,000	\$55	NA
39355 California Street Centre Point Plaza	Fremont	Jun-05	1983	55,722	\$9,700,000	\$174	NA
6300 Dumbarton Circle	Fremont	May-05	1990	44,000	\$8,959,000	\$204	NA
47723-47853 Warm Springs Boulevard	Fremont	May-05	1982-1985	167,371	\$15,100,000	\$90	NA
<b>Median Sales Price per Sq. Ft.</b>						<b>\$125</b>	
<b>Average Sales Price per Sq. Ft.</b>						<b>\$166</b>	

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Source: Costar ecomps; BAE, 2006.